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CONTENTS FOR JUNE

THE LEAGUE'S BUSINESS ..... *Howard P. Jones* 274

EDITORIALS ..... *J. B.* 275

TWO DECADES OF STATE BORROWING ..... *Edna Trull* 277

FEDERAL REGULATION OF LOCAL DEBT ..... *Wylie Kilpatrick* 283

FINANCIAL AND ACCOUNTING STANDARDS ..... *Carl H. Chatters* 291

MUNICIPAL BOND DEFAULTS ..... *Sanders Shanks, Jr.* 296

THE BONDED DEBT OF 272 CITIES AS AT JANUARY 1, 1937 *Rosina Mohaupt* 299

RECENT NEWS REVIEWED

NOTES AND EVENTS ..... *H. M. Olmsted* 310

COUNTY AND TOWNSHIP GOVERNMENT ..... *Paul W. Wager* 313

TAXATION AND FINANCE ..... *Wade S. Smith* 317

PROPORTIONAL REPRESENTATION ..... *George H. Hallett, Jr.* 320

CITIZENS' COUNCILS ..... *Geneva Seybold* 321

GOVERNMENTAL RESEARCH ASSOCIATION NOTES .. *Robert M. Paige* 323

RECENT BOOKS REVIEWED ..... *Geneva Seybold* 329

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NATIONAL MUNICIPAL LEAGUE

THE LEAGUE'S BUSINESS

Committee on Model Charter.—The following committee has just been appointed by President Dodds to revise the model city charter: Richard S. Childs, *Chairman,* John Bauer, Alfred Bettman, Louis Brownlow, A. E. Buck, Edwin A. Cottrell, Clarence A. Dykstra, L. Arnold Frye, John N. Edy, John A. Fairlie, Mayo Fesler, Luther Gulick, Joseph P. Harris, A. R. Hatton, Mrs. Siegel W. Judd, Mrs. Virgil Loeb, Joseph D. McGoldrick, Charles E. Merriam, William B. Munro, Thomas H. Reed, Clarence E. Ridley, Harold D. Smith, John F. Sly, Lent D. Upson, Morton Wallerstein, and Leonard D. White. The committee's first meeting was held June 4th to 6th in consultation with public officials and experts in the various functional fields in order to bring the charter completely up to date and take advantage of all the lessons of the depression.

* * *

Proposed Committee on Improved Fiscal Procedure.—The depression has so emphasized the necessity for coördination of accounting and budgeting procedure with controls over borrowing and related fiscal problems, that the officers of the League feel the time has come for a consideration of the entire problem of fiscal relations. To this end the League plans to organize a committee on improved fiscal procedure which will work out a program to cover the four essential functions of any public finance procedure concerned with spending money raised by a tax on real property, i.e., assessment of property, collection of taxes, custody of funds, and control over expenditures.

It is proposed that the committee operate under the direction of a paid secretariat for a period of three years, the first year to be taken up with design and draftsmanship, the next two with promotional and consultative work in an effort to secure the adoption of the program by as many states as possible. Funds for the support of the committee's work are now being sought.

The tentative membership of this committee includes the following persons: L. Arnold Frye, *Chairman;* Lewis P. Mansfield and William Bennett Munro of California; Louis Brownlow, Carl H. Chatters, Henry Cutler, Clifford W. Ham, and Clarence E. Ridley of Illinois; Morris B. Lambie, Henry F. Long, and Henry L. Shattuck of Massachusetts; Harold D. Smith and Lent D. Upson of Michigan; Walter R. Darby, Edward D. Duffield, Raymond Greer, John R. Hardin, J. H. Thayer Martin, and John F. Sly of New Jersey; Philip Benson, Frederick L. Bird, Harry H. Bottome, A. E. Buck, William P. Capes, E. Fleetwood Dunstan, Frederick W. Ecker, Mark Graves, George Hannahs, John S. Linen, Seabury C. Mastick, Joseph D. McGoldrick, John A. Milholland, Frank C. Moore, Frank Morse, Mabel Newcomer, Thomas I. Parkinson, Carl Pforzheimer, Sr., Sanders Shanks, Jr., C. W. Tooke, Morris Tremaine, and David M. Wood of New York; Gordon Reis and Earl E. Hagerman of Ohio; John H. Fertig and W. Carleton Harris of Pennsylvania; Robert M. Goodrich of Rhode Island; and G. A. Lascelles of Ontario, Canada.

* * *

The League's Conference on Government.—Plans are going forward for the League's forty-third annual conference on government to be held at the Seneca Hotel in Rochester, New York, on November 18th, 19th, and 20th. Members of the League and others interested in the cause of good government are urged to hold these dates available for the meetings.

Mr. Marion B. Folsom has consented to act as chairman of the local committee on arrangements. Mr. Folsom is treasurer of the Eastman Kodak Company, a trustee of the Rochester Bureau of Municipal Research, and a member of the President's advisory committee on social security. Harold B. Sanford, managing editor of the *Rochester Democrat Chronicle,* is vice-chairman, and W. Earl Weller, director of the Rochester Bureau of Municipal Research, secretary of the local committee, the personnel of which will be announced shortly.

HOWARD P. JONES, *Secretary*

Editorial Comment

June, 1937

NATIONAL MUNICIPAL REVIEW

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Why Binghamton Abandoned the Manager Plan

THE abandonment of the city manager plan at Binghamton, New York, on April 20th is an occasion for deep concern by friends of honest, clean, and efficient government. It raises immediately the question as to why a city of some 81,000 people should revert to the old council-mayor form of government. It was as recently as January 1, 1932, that an aroused citizenry of Binghamton, harassed by mounting government costs and inefficiency in municipal operation, voted to give the manager plan a trial.

In the five years of its existence in Binghamton, the council-manager plan gave tangible evidence of its worth—of its superiority over the old system.

At the conclusion of the first year of its administration, total expenditures for municipal operations were nearly $303,000 less than the budget appropriation which was based on previous costs under the old plan. The tax rate was reduced $1.10 per $1,000 assessed valuation the following year.

The amount raised by taxation for the year 1937 is approximately $200,000 less than the amount raised by taxation the year before the council-manager plan was adopted. The tax rate for the year 1937, however, due to the floods of '35 and '36, was higher than the rate for 1936. Assessed valuations were lower than those under the council-mayor government. They were completely revised downward in 1933.

There are further tangible evidences of efficient government which stand to the credit of the operation of the manager plan in Binghamton. Unnecessary positions were eliminated and the personnel reduced. The duties of commissioner of public works, commissioner of public safety, water commissioner, and various superintendents were assumed by the city manager and city engineer. A purchasing department was established. The setting up of a finance division interrelated and coördinated assessments, collections, purchases, disbursements, and accounting.

During a four-year period, from 1932 to the end of 1935, the city of Binghamton paid off $2,487,313.07 of bonded indebtedness. In 1935 a serious flood and growing relief costs (due to the federal government's turning over to local municipalities the direct relief problem) made it necessary for the city to borrow. These two major items and several smaller improvements increased the debt $1,740,406.82. Another flood in 1936 and a continuation of the welfare problem compelled the city to borrow an additional $1,633,000. Nevertheless, the bonded debt at the close of 1937 will be well below the bonded debt

of the city when the manager plan was adopted. The enviable financial position of Binghamton is revealed by the low rate of interest on bond issues. They varied during the city manager's regime from 4.5 per cent to 1.4 per cent with a weighted average of 2.84 per cent.

What then actually caused the abandonment of the manager plan in the April elections?

There are a number of reasons, but chief among them was the relaxing of energy on the part of some of those who campaigned so successfully for the adoption of the plan. A distinct feeling among the business, professional, and better element in town held that there was no real cause for worry. They were rightly satisfied that the manager government had done a good job, but they underestimated the tenacity of special interests that actively and continually fought for reversion to the old council-mayor form of government. This unawareness by most of the people of Binghamton of the carefully developed strength of the opposition accounts largely for the fact that only about 38 per cent of the registered voters went to the polls.

There is also the factor of an increased tax rate this year due to the floods. This fact, in combination with the peculiar mental reaction of many people living along the river banks that somehow or other the city should have prevented the floods, has wiped out the memory of earlier benefits under the manager plan.

Throughout this whole period, therefore, the opposition played upon every prejudice and move of the city government which in any way could be used to support their position. This constant plugging away, coupled with the disintegration of the charter group and the slowness in getting the campaign under way to defend the manager plan, gave the opposition its chance. When able City Manager C. A. Harrell left Binghamton to become city manager of Schenectady, the opposition seized upon this move to return to power. A referendum was held and the council-manager plan abandoned.

The conclusion is evident. Binghamton profited by the city manager plan. In numerous ways the administration of its government was superior to the old system. Yet today, Binghamton is exhibit A of what may happen if the civic-minded elements of the population fail to develop the machinery or technique to resist the ever present threat of a real political assault. Good, honest, and efficient government, once obtained, is worth fighting for. Complacent satisfaction with sound administration does not remove or eliminate the menace of dispossessed selfish interest. Only an alert, continuously active citizenry can prevent the old order from unjustly discrediting the manager plan.

J. B.

Two Decades of State Borrowing

Highway programs and emergency demands force marked increase in debt totals of state governments

EDNA TRULL *Municipal Service Department, Dun & Bradstreet, Inc.*

It is not unusual for state debt to be regarded as an insignificant part of the total state and local bonds outstanding. True, when comparison is made with local borrowings, the debts of most of the states sink to a position of secondary magnitude. In 1932, when the latest tabulation of all state and local debt obligations was made for the decennial report of the Bureau of the Census, state debt accounted for only 13.5 per cent of the total.

Casual minimizing of the state debt, however, would seem to overlook the fact that, in the ten-year period prior to 1932, the states had increased their borrowings at a rate more rapid than any of the other classifications used by the Census Bureau—counties; cities, villages, etc.; townships; and miscellaneous civil divisions. From 1912 to 1932, covering a period of two complete decennial surveys, the Census Bureau reported a 586 per cent increase for state net debt, only school districts showing a larger percentage increase.

The rising trend which was so conspicuous in the period preceding the depression has continued up to the present time. While there have been no reports on state debt issued by the Bureau of the Census since 1932, the figures compiled by Dun and Bradstreet for 1936 indicate a 21 per cent increase from 1931 in state debt. Such data as are available indicate that the increase in local debt was about one-third as rapid during this period. Certainly it would seem that the states, because of the rapid growth in their debt and the probable continuance of this trend, warrant more than light dismissal in their capacity as debtors.

The dominating factor in the spectacular increase in state debt has been borrowing for highways. Close to one-half the state debt outstanding has been incurred directly for highway purposes. From the negligible beginning at 0.2 per cent of the outstanding state debt in 1894, highway obligations rose to be 1.6 per cent of the total ten years later, 12.7 per cent in 1913, 37.1 per cent in 1923, and 49.6 per cent in 1931.

Of the total state debt outstanding in 1931, when the Census Bureau last classified it according to purposes, 56.5 per cent was for highways including special bridge, grade crossing elimination, etc. The second most important purpose, accounting for only 11.6 per cent of the total, was public service enterprises. This included particularly the aid to farmers carried out through the rural credit projects of South Dakota, Minnesota, and North Dakota, and the harbor development of California and bridge and tunnel work in New Jersey. The third largest classification was veterans' aid debt, in the form of direct bonus in a number of states, of pensions in the Confederate

states, and of the extension of credit facilities in California, Oregon, and North Carolina. Direct governmental purposes, such as public buildings, hospitals and correctional institutions, schools and colleges, and parks accounted for only 8.4 per cent of the state debt outstanding in 1931. Funding and refunding comprised 2.5 per cent of the total and miscellaneous combined and unreported purposes made up the balance.

During the critical years of the depression highway debt continued to increase, but at a decelerated rate, and its volume was overshadowed by the wave of other types of state borrowing induced by emergency demands. Unemployment relief bonds of roughly $400,000,000 were issued. Nearly half this was accounted for by New York State, $50,000,000 by Illinois, $44,000,000 by California, $35,000,000 by New Jersey, $25,000,000 by Pennsylvania, $20,000,000 by Texas, and lesser amounts by several states. A few other states substantially increased or initiated special public works projects for the purpose of alleviating unemployment, but on the whole heavy borrowing for direct or indirect relief purposes was limited to a rather small group of states.

Veterans received a special share of the funds borrowed during the past five years. The $50,000,000 bonus bond issue of Pennsylvania is particularly noteworthy, while the veterans' aid projects of California and Oregon were responsible for about $80,000,000 new debt between 1931 and 1936.

Another important item in the state debt history during the depression was the funding of operating deficits. The total funded, to be sure—approximately $75,000,000—does not represent the extent to which budgets were unbalanced during the depression period. For the most part they represented years of recurring deficiencies resulting in the accumulation of short term debt. The refusal or unwillingness of creditors to grant extensions necessitated funding for the maintenance of credit. The southern states were most active in this field, but it should be said to their advantage that in several cases, at least, the funding of operating debt was the first step in what became a genuine rehabilitation of financial position.

BORROWING FOR EMERGENCIES

It is clear from this brief sketch of the purposes for which the debt outstanding in 1931 had been issued and the major borrowing which has been done since 1931 that the bulk of the debt now outstanding cannot be attributed to the normal functions of government. Rather it has been caused, first, by the desire to provide quickly for the building of a modern highway system to supply a complement to the revolutionary changes in transportation; second, by the doles to veterans, aid to farmers and unemployed, and deficit funding. Broad projects in state planning, either for conservation or public construction, have not been major factors in the increase in state debt.

In the total of $3,080,795,974 of gross direct debt outstanding against the states in the latter half of 1936, all but four of them are represented. The distribution of the total among the remaining forty-four, needless to say, bears but little relation to size and wealth and none at all to capacity to pay—a fact emphasized by consideration of net debt reduced to a per capita basis for comparative purposes. Net debt as used here, it may be pointed out, is gross debt less self-sustaining or non-tax-supported debt and less sinking funds for tax-supported debt. The figures for gross, net, and per capita debt, compiled by Dun and Bradstreet, are shown in the accompanying table.

STATE DEBT AND STATE HIGHWAY DEBT, 1936[1]

State	Total State Debt			State Highway Debt		
	Gross Debt	Net Debt	Net Debt Per Capita	Gross Debt	Net Debt	Net Debt Per Capita
Alabama	$ 73,055,000	$ 73,055,000	$25.78	$37,975,000	$37,975,000	$13.39
Arizona	1,390,275	1,390,275	3.19	none	none	0
Arkansas	164,638,416	164,638,416	82.36	140,003,453	140,003,453	70.04
California	237,347,122	110,779,368	17.42	48,750,000	48,750,000	7.66
Colorado	29,415,700	29,415,700	27.70	27,710,000	27,710,000	26.09
Connecticut	none	none	0	none	none	0
Delaware	3,357,000	3,300,000	12.89	2,840,000	2,840,000	11.09
Florida	none	none	0	none	none	0
Georgia	6,094,000	6,094,000	2.03	none	none	0
Idaho	2,220,500	1,891,395	3.95	752,000	752,000	1.57
Illinois	211,155,414	210,455,414	26.92	133,554,000	133,554,000	17.08
Indiana	1,015,000	1,015,000	.30	none	none	0
Iowa	7,700,000	7,700,000	3.04	none	none	0
Kansas	21,685,000	21,627,600	11.70	3,435,000	3,377,600	1.83
Kentucky	32,513,420	21,214,977	7.45	none	none	0
Louisiana	146,867,480	108,978,480	51.40	85,912,000	85,912,000	40.52
Maine	31,780,500	27,870,705	32.98	25,076,500	25,076,500	29.68
Maryland	50,142,000	48,272,000	28.92	15,534,000	15,164,000	9.08
Massachusetts	42,025,071	33,784,135	7.77	200,000	200,000	.05
Michigan	75,669,000	27,722,877	5.44	48,419,000	19,216,337	3.77
Minnesota	114,970,760	112,496,760	42.82	33,150,000	33,150,000	12.62
Mississippi	48,523,000	45,798,988	22.79	10,600,000	9,491,988	4.72
Missouri	122,714,839	122,714,839	31.36	109,990,000	109,990,000	28.11
Montana	11,477,177	10,961,243	20.64	3,000,000	2,933,031	5.52
Nebraska	none	none	0	none	none	0
Nevada	933,000	933,000	9.42	275,000	275,000	2.78
New Hampshire	14,493,000	12,521,525	24.94	8,385,000	7,741,040	15.42
New Jersey	183,365,000	103,597,384	24.16	99,090,000	62,986,334	14.69
New Mexico	12,537,147	12,261,763	28.96	10,670,000	10,670,000	25.20
New York	634,897,000	499,580,870	38.76	94,000,000	47,863,902	3.71
North Carolina	163,894,000	140,528,475	41.13	91,271,000	91,271,000	26.71
North Dakota	31,458,000	22,752,863	32.50	none	none	0
Ohio	none	none	0	none	none	0
Oklahoma	20,098,000	14,447,270	5.76	none	none	0
Oregon	49,108,910	31,454,660	31.20	23,441,750	23,441,750	23.25
Pennsylvania	148,142,000	128,407,835	12.76	78,142,000	60,581,097	6.02
Rhode Island	29,924,000	23,934,021	35.16	1,107,000	275,871	.41
South Carolina	41,354,339	40,781,330	20.27	32,974,000	32,974,000	16.38
South Dakota	48,269,000	37,291,035	55.24	none	none	0
Tennessee	97,400,000	83,301,924	28.68	47,200,000	44,812,763	15.43
Texas	21,877,250	19,809,500	3.26	none	none	0
Utah	10,573,000	4,489,884	8.72	7,000,000	1,279,816	2.48
Vermont	8,400,032	8,400,032	22.28	none	none	0
Virginia	23,015,851	18,537,878	7.03	5,428,000	3,984,575	1.51
Washington	14,900,271	13,865,286	8.49	none	none	0
West Virginia	85,830,800	81,783,684	45.03	79,450,000	74,556,256	41.05
Wisconsin	1,183,700	1,183,700	.41	none	none	0
Wyoming	3,385,000	3,385,000	14.59	3,385,000	3,385,000	14.59
Total	$3,080,795,974	$2,494,426,091		$1,309,719,703	$1,162,194,313	

[1]Debt statistics are as of varying dates in the latter half of 1936. Net debt figures under "Total State Debt" are gross debts less the self-supporting debts of revenue producing enterprises and less sinking funds for other. Net highway debt is gross less sinking funds. Direct debt only is included.

In the distribution of the three billion dollars, one state, New York, is responsible for a fifth of the total. More than another fifth is chargeable to California, Illinois, and New Jersey. This is not a greatly disproportionate situation, however, for these four states have one-fourth of the nation's population and more than that share of its wealth. Among the states with no or negligible debts, however—Connecticut, Ohio, Florida, Nebraska, Indiana, and Wisconsin—there are also populous states with ability to support extensive debts if necessary.

PER CAPITA COMPARISONS

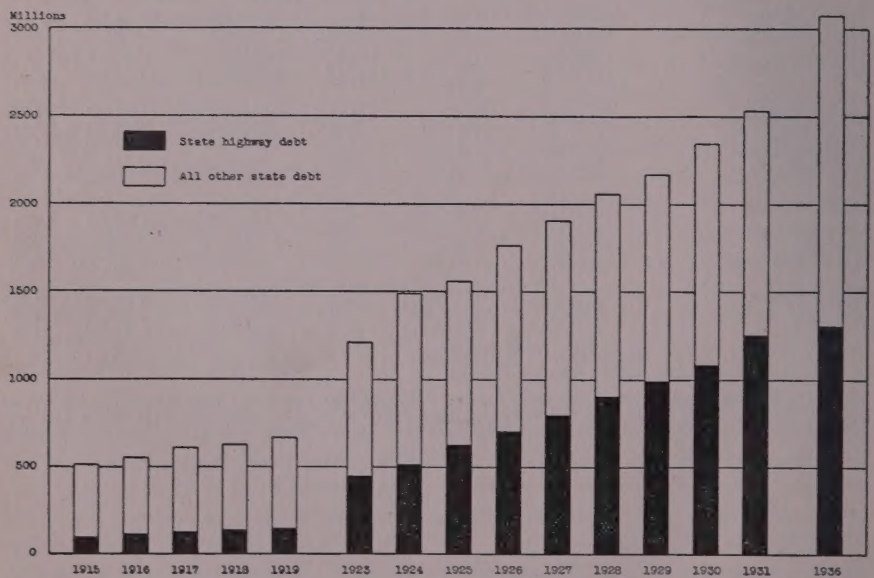
When the debts of the states are placed on a per capita basis the actual unevenness in distribution becomes more clearly apparent. The New York debt, at $38.76 per capita, is still above the average; but it is less than half the $82.36 which is the responsibility of the most heavily indebted state. This genuinely heavy obligation, moreover, is the obligation of Arkansas, a state which is well below average in wealth and which was forced to default on its debt in the depression.

The median per capita debt of the forty-eight states is $18.85, but several deviate very markedly upward from this conservative level. The nearest rivals to Arkansas' unfortunate position are South Dakota and Louisiana, with $55.24 and $51.40 respectively, while three other states—West Virginia, Minnesota, and North Carolina—also had per capita debts of over $40 in 1936. None of this group of states may be classed high as to wealth.

On the more favorable end of the list, there are nineteen states with direct debts non-existent or falling below $10 per capita. All of these nineteen, indeed, have debts less than half the median for the states.

The fact that a state lists no or low

TREND IN STATE DEBT AND STATE HIGHWAY DEBT



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STATE DEBT AND STATE HIGHWAY DEBT PER CAPITA, 1936

Chart based on Table VII of "Borrowing for Highways" by Edna Trull
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direct debt, does not mean that it is not paying debt charges on a sizeable obligation. A number of the states have undertaken to service, in varying degrees, bonds issued by local units. Of the states listed as having no direct debt, for instance, Ohio is servicing certain county relief bonds from sales and utility tax receipts, Florida is servicing county highway bonds from gasoline tax receipts, Wisconsin is paying principal on certain county highway bonds from highway revenues, and Connecticut is servicing certain locally issued highway obligations. Similarly, some of the states with low debts are actually paying much heavier annual charges than the low direct debt would suggest. Iowa is an outstanding example, since it pays annually in debt service on county road bonds an amount greater than its total direct debt outstanding. Texas services a large amount of local highway debt. Other states less well equipped, because of their own heavy direct obligations, are also assisting their local subdivisions with debt service—notably South Carolina, Tennessee, and Minnesota.

BORROWING FOR HIGHWAYS

Highway debt is particularly significant in the total for several reasons. First, obviously, is the fact that it is the largest single item in the total. Second is the wide distribution of highway borrowing among the states. Third is a combination of various aspects related to the special means frequently used to service highway debt. Finally, the indicated continuation of large scale highway borrowing makes a study of present status of special pertinence.

More striking even than the importance of highway debt to the total described above and illustrated by the chart showing trend, is the extent to which highway debt dominates the obligations of individual states. Highway borrowing is responsible for percentages of total net debt ranging from less than 1 per cent in Massachusetts to 94.2 per cent for Colorado and 100 per cent for Wyoming. This point is graphically illustrated in the chart showing per capita debt and highway debt by states. With the exception of South Dakota, all of the most heavily indebted states, on a per capita basis, have incurred most of their burden for roads. Of the thirty-two states with direct highway debt, this item represents more than half the total net debt in eighteen; while in only five is highway debt less than one-quarter of the total.

The direct highway debt amounts to $1,307,469,703 and the states service, in addition, about $310,000,000 of local road debt. The direct net debts of the thirty-two states range from $200,000 for Massachusetts—the sole remainder of a once large total—to $140,003,453 for Arkansas. The per capita range is illustrated by the same two states: five cents for Massachusetts to $70.04 for Arkansas. Outstanding among the other states are Louisiana and West Virginia with debts between $40 and $50 per capita. The rest all fall below $30 per capita.

It is quite evident, from the trend of the past two decades, that the states are approaching a position of considerable importance in the field of public debt. It is equally apparent that there is a complete lack of uniformity in their borrowing policies which renders generalization a rather unprofitable undertaking. The point may be stressed, however, that the more heavily indebted states have reached a stage at which further borrowing must be with forethought to its relation to budgets and to resources for payment.

Federal Regulation of Local Debt

A national program for economic stabilization must be made adequate or proposals for direct credit assistance to municipalities will recur and be pressed vigorously in future depressions.

WYLIE KILPATRICK *Washington, D. C.*

IN THE closing days of Congress in March 1933, the local debt crisis reached a fever pitch of agitated discussion. With the closure of banks forecasting the impending bank holiday, local governments were feared to be on the verge of collapse. Rapidly accumulating defaults of funded debt were accentuated by the inability of not a few of the better rated cities to obtain temporary loans for operating purposes. Congress seriously considered a municipal debt moratorium. The extension of federal credit on temporary collateral, as well as for wholesale refinancing of debt, was thought inescapable. The wheels of local government were slowing down to a threatened stoppage that seemed to require a pulmotor similar to relief of private credit by the RFC, the HOLC and the FCA.

The wheels did not stop, nor was national assistance to municipal credit analogous to aid to private credit. The recovery of local credit in succeeding years was evidenced by the cure of many defaults and by the reduction in bond coupon rates. By October 31, 1936, all but ten of the defaulting cities above 25,000 population had resumed payment of obligations. Of the 104 defaulting cities, counties, or districts of this population class, the defaults were cured in seventy-nine units. Expressed in terms of the number of units, the cured units represented 76 per cent of the total; stated in terms of population, the cured units were 82.7 per cent; and measured in terms of gross debt, the cured units were 96.3 per cent of the original defaulters. Similarly, municipal coupon rates were lowered from 4.72 per cent in 1929 to 3.29 per cent in 1935. The remarkable reduction in coupon rates is best shown by contrasting the 78.4 per cent of bonds issued in 1929 bearing 4½ per cent interest with the 13.5 per cent issued in 1935 bearing the same interest rate.

That municipal credit recovered without federal loans for temporary operating purposes may be the result of good luck combined with the deflation of the exaggerated need for short term credit. After the first panicky fear that local institutions were crumbling, mature study disclosed that the need for temporary borrowing varied widely over the country. Instead of being a nation-wide need for all local units, temporary loans were found not to be required in large amounts by the majority of localities. That temporary paper for the first time exceeded a billion dollars for the annual operations of 1932, 1933, and 1935 was due to the large loans of a dozen metropolitan cities and to heavy local borrowings in a relatively few states. In many communities temporary borrowings either were eliminated or minimized by the use of reserves or by the articulation of the

budget and tax calendar to obviate excessive tax anticipatory loans.

The validity of the need for temporary credit could not be contested in cities where borrowings were forced on officers by the fiscal structure or by the accumulation of tax delinquency in municipalities with excellent credit ratings. Yet an excessive proportion of back taxes (and accordingly of temporary loans) rested on vacant lots and undeveloped property. If collection of delinquent taxes and repayment of federal loans from collateral so shaky would prove difficult, the national government would virtually be entering the business of real estate brokerage and specializing in the poorer undeveloped property.

INDIRECT AID FURNISHED

The municipalities were aided but aided indirectly. Instead of direct loans, the federal government furnished credit to banking institutions that enhanced their ability and willingness to float short term loans. The RFC loans in excess of six billion dollars to banks and financial institutions permitted the resumption of local borrowing temporarily suspended in many cases. Private urban indebtedness, retarding tax collection, was refinanced by the HOLC underwriting three billions of mortgage debt. Tax delinquencies of $225,000,000 were paid on 74 per cent of these loans by April 30, 1936. Sizeable as was this sum, direct aid again was not of paramount importance. By state totals federal payments of delinquencies ranged from $104,000 in Nevada to $30,200,000 in New York. Any exaggeration of the importance of delinquent payment is prevented by realizing that only in eleven states did the payments exceed $5,000,000. In fourteen states the payments were less than $1,000,000 in each jurisdiction.

Helpful as were the tax payments to individual units, the distribution of national funds to private enterprise was the stimulus to economic recovery forming the first major device for municipal recovery. Private loans closed and insured or grants extended were $11,191,000,000 from March 4, 1933, to June 30, 1936, or an annual average of three and three-quarter billion dollars.[1] Equally important to local credit and a more specific aid to local budgets was the federal relief and public works policy to be discussed in the next issue of this magazine. The municipal bond market, viewed solely as an index to bond prices, reflects the moderate offerings of municipals and the preference by purchasers for local issues over industrial issues as well as the basic stabilization of municipal credit.

The success of the federal policy of indirect credit assistance was in a period when returning private prosperity sustained municipal credit. During the downswing, instead of the upswing of the business cycle, indirect assistance may not prove promptly effective. The banking contraction of short term credit during the recent decline was replete with deflation of local services, the issuance of scrip, and inability to float public works loans. Can not these symptoms of disordered finance recur in future depressions? National programs for economic stabilization must prove promptly adequate or proposals for direct credit assistance will recur and be pressed vigorously.

The exceptions to the federal refusal to refinance bonded debt or temporary notes proved the rule. One exception

[1]These figures represent the total operations during the cited period of the Reconstruction Finance Corporation, Farm Credit Administration, Commodity Credit Corporation, Resettlement Administration, Home Owners Loan Corporation, Agricultural Adjustment Administration, and the Federal Housing Administration. All but a relatively very small part of the loans were to private not public bodies.

was the authority to grant loans to public school officials for payment of teachers' salaries. Applicable for only a limited period, the authority was invoked for one loan of $22,300,000 to the Chicago school district, which loan was in mind when the law was passed. One year after Congress, in 1935, authorized the refinancing of school debt, only fourteen loans for Arkansas districts and five loans for Texas districts had been authorized. That loans of only $1,479,000 had been approved, out of the allowed $10,000,000, demonstrates that national credit to refinance heavy debt was needed in 1935 and 1936 by merely an insignificant number of school districts. Obviously the federal government is devoid of a refinancing function where refunding bonds can be sold privately on terms as advantageous as federal purchases. Federal recovery measures inducing municipal credit recovery operate to eliminate the federal refinancing function.

REFINANCING DEBT LOADS

No recovery, however successful, ever operates so evenly as to induce uniform recovery of public credit. Stagnant or overfinanced areas, side eddies to the main credit movement, are left to require direct and specific credit assistance. Not impossibly the unusual areas constitute the key to formulating a usual federal credit function by marking out the abnormal cases for refinancing and debt composition agreements. As an experimental record, the RFC refinancing of agricultural districts (drainage, levee, irrigation, and similar districts) invites examination as a precedent applicable to other unusual cases, if not to the entire local field. Paradoxically, this innovation had its origin in farm relief, not in local government, for not until the measure was incorporated into the 1933 farm mortgage act was refinancing sanctioned.

By August 14, 1936, applications had been received for refinancing 751 districts with outstanding debts of $329,000,000; and a total of 529 applications were approved for refinancing $260,000,000 of debt for which the RFC had authorized refunding loans of $121,000,000, together with $5,000,000 for rehabilitation. A picture of operations is revealed best by breaking down the total loans according to types of local organization and farming:

1. *Irrigation districts.* Applications from 246 irrigation districts asked for the refunding of $103,000,000 of $174,200,000 debt. The RFC approved 177 applications (72 per cent) for refunding loans of $68,400,000. Expenditures of $40,700,000 had been made to 120 districts. Irrigation districts applied for $11,400,000 of rehabilitation loans, receiving $2,600,000.

2. *Mutual districts.* Forty-five districts applied for $20,500,000 of refinancing loans, and the RFC sanctioned $12,300,000 loans to twenty-eight districts. To eight districts had been disbursed $1,300,000. The applications for repair and improvement loans were $4,500,000 in contrast to approvals of $1,800,000.

3. *Drainage districts.* With an outstanding debt of $138,100,000, 460 drainage districts applied for refunding loans of $67,300,000. To 324 districts loans of $97,700,000 were approved, disbursements to 177 districts being $18,600,000. Only $699,132 of rehabilitation loans were authorized out of the requested $1,700,000.

The total loans authorized may be compared, according to classes, with the number of districts and their assessed acreage. Thus the 177 irrigation districts were authorized total loans of $70,000,000 on an acreage of 3,495,553. The authorization of $14,100,000 to twenty-eight mutual companies was for an acreage of 488,610. In contrast, the number and acreage of the drainage districts were the largest, but the relatively small loans were spread on a much larger acreage. The total authorization of $36,900,000 to 324 drainage districts was for an acreage of 9,028,371.

Annual charges to be distributed as taxes by these districts were revised by the reduction of principal, reduction of

EFFECT OF REFINANCING SPECIAL DISTRICT DEBT

Type of Borrower	Number districts	Average debt per acre To be refunded	Loan as authorized	Cultivated acres Number	Annual carrying charges	Ratios of refinancing On principal	On principal and interest
Irrigation districts	177	$41.97	$20.31	2,127,314	$6.25	45.43%	40.97%
Mutual companies	28	33.29	28.87	449,173	5.93	76.69	75.27
Drainage districts	324	10.83	4.08	4,589,435	1.85	42.42	36.58
Total	529	$20.04	$ 9.37	7,165,922	$3.49	49.93	44.53

interest, and the extension of maturities. Accordingly, the old debt load of irrigation districts, $41.97 per acre, was refinanced at 40.9 cents on the dollar to reduce the per acre load to $20.31. The worse condition of the drainage districts, containing land much less valuable than the irrigation districts, resulted in converting the old debt load per acre from $10.83 to $4.08 by refinancing at 36.5 cents on the dollar. The fewer mutual companies with a debt load of $33.29 per acre required the least debt reduction through refinancing of 75.2 cents on the dollar to an adjusted debt of $28.87 per acre. The net result was to scale the annual cost of the carrying charges according to capacity to pay. The most productive land, the irrigation districts, pays yearly charges of $6.52 per acre; the mutual company land pays $5.93 per acre; and the markedly less valuable land of the drainage districts pays $1.85 annual carrying charges per acre.

The RFC record is unique in combining three features, none of which is often used, into a single plan: (1) the scaling down of the debt principal instead of merely extending maturities; (2) the furnishing of federal funds for local refinancing; and (3) determination of the new debt load by an agency independent of the debtor and creditors, a third party in the form of the federal administering agency. The execution of the three elements hinged upon ascertaining the districts' capacity to pay, a phrase often invoked in discussion but little applied in practice. By field appraisals of the productive value of the lands and analysis of tax and debt loads, the RFC made a contribution to the technique of debt management in administratively determining the surrender value of old bonds for refunding issues in accordance with a capacity to pay varying widely among districts.

COMPOSITION OF DEFAULTED DEBTS

Probably the most important aspect of the operation of the federal law for judicial composition of local debt was the dual use by these special districts of RFC credit and of the federal courts to insure compliance with the terms of the debt settlement. Of the eighty-seven petitions by defaulting units during the two years before the act was held unconstitutional, reports Dr. A. M. Hillhouse, twenty-four were by municipalities and nearly all of the others were irrigation, drainage, and other special districts. Not a few of these districts obtained PWA loans for construction purposes. Thus, three federal agencies supplemented each other; the RFC refinanced through an administrative supervision that could be used by the courts in reviewing debt composition plans and coinciding with the PWA extension of construction loans.

Nearly all the discussion of federal debt composition has been concerned with hopeful forecasts, before the federal law was passed, of what might be accomplished or of mournful requiems, after the act was invalidated, of what

might have been accomplished. Indicative findings of what happened, in conjunction with correlative experience, are necessary for the drafting of new remedial legislation. The desirability of administrative supervision of defaulting units, instead of solely refinancing or debt composition, was demonstrated by the RFC's efforts to place borrowers on a sound economic basis. Since debt reduction alone is far from a remedy, the RFC worked out plans for the local payment of taxes, taking advantage of compromises on delinquent taxes, and reserves were set up to insure future tax payments. After refinancing, borrowers were required to adhere to a pay-as-you-go plan. District budgets are annually submitted to the RFC which scrutinizes fiscal operations by annual audits.

Such an administrative supervision is obviously impractical for the courts to assume even if, contrary to the federal act that was adopted, fiscal control could legally be vested in the judiciary. What the law did attempt to do was to vest the determination of capacity to pay in the courts as a prerequisite to the debt settlement. Judicial determination in practice meant resort to special masters, and a tendency by the judges to accept the consent of a majority of the creditors as proof of capacity to pay instead of actual determination by the courts. In many mandamus proceedings arising outside of the federal bankruptcy act, the courts have been so hampered by the difficulties of ascertaining capacity, an essentially administrative question, that slight hope exists that they will exercise this task without supplementation by administrative agencies.

The lack of these agencies is a gap that even the pressure of the depression did little to correct. Federal credit agencies, now debarred from the municipal field, would be serviceable for investigation and supervision. State agencies supervising the local units that operate under delegated authority seemed desirable not only because of legal authority but by reason of intimate association with local conditions. Yet only seven states have authorized so-called administrative receivers—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, North Carolina, and Oregon. Even less was the actual use of receivership machinery. New Jersey invoked control for twelve municipalities, Massachusetts for three units, and New Hampshire supervised six units by quasi-receiverships. This inconclusive record reveals possibilities, not as yet fully verified, when taken in conjunction with the wider state experience in assisting in negotiations for debt readjustment and refunding without receiverships. The very lack of administrative supervision has caused not a few municipalities and their creditors to resort to the compensatory device of a contract providing for committee or trustee supervision, following the cure of the default, during the life of the refunded issue.

MINORITY OBSTRUCTION

The problem of the obdurate minority, obstructing debt settlements satisfactory to the majority of creditors, is reopened as a question after the supreme court invalidation of the federal act for the composition of local debts under judicial auspices.[2] The result is an impassé, a deadlock in which necessary legal powers are denied to the state and national governments and legally permissible authority remains latent and largely unexercised. On the one hand, the states are constitutionally debarred from the impairment of bond contracts necessary to the scaling of debts and at the same time they largely fail to utilize powers to supervise local debt ad-

[2] *Ashton v. Cameron County Water Improvement District*, 56 Sup. Ct. 892 (1936).

ministratively in other ways. On the other hand, the nation is debarred from invoking the bankruptcy power for local debt composition, at least in the form provided by the invalid act, and at the same time has refrained from substituting corrected or alternative measures.

Does not the present deadlock, threatening permanently to forbid remedial action, provide a time appropriate for the re-examination of the premises and machinery essential to debt composition and supervision? In truth, the federal act for local bankruptcies was not a well balanced approach to the problem. The statute tackled one problem, the coercion of minorities, and left untouched equally vexing questions that must be answered before readjustment of defaulted debt is more than superficial. Instead of viewing the problem of debt composition as a whole, federal judicial supervision was restricted to the one brief period of hearing and passing upon petitions. The preliminary period did not protect creditors by a stay of litigation against independent actions. The subsequent period was devoid of supervision of the defaulting units. Nor was the period of federal control adequate in means of appraising the respective creditor rights and debtor finances. Even if adequate, the settlement was narrowed to specific creditors and the debtor district and did not afford a comprehensive omnibus proceedings to give standing and consideration to other claimants, taxpayers, and voters.

Even without doubtful resort to federal bankruptcy power, remedies are not hopeless. More than one authority has pointed out that obdurate minorities can be thwarted in their obstruction by depriving the courts of the power to issue mandamus, compelling local units to pay defaulted obligations, when a preponderant percentage of the creditors agree with the debtor upon a settlement. Judicial restraint in the use of mandamus is evidenced by recent court decisions.[3] Restriction of mandamus, either by redefinition or self-limitation by the courts, is hampered by the same weaknesses vitiating the direct judicial composition of debts.

With only one vote on the Supreme Court to win to sustain federal bankruptcy for local units, an act written to cure the defects of the invalidated law might be upheld. One defect was that the law required consent of the states only inferentially or to a limited degree. To specifically require the consent of states to federal bankruptcy settlements, however, contains slight hope of overcoming the majority holding that states cannot consent to a divestment of sovereignty. Since mere state consent is not sufficient, positive state participation involving the state exercise of tax and debt powers should be provided.[4]

The filing of a local petition in the federal courts would be contingent upon state direction of the tax and borrowing powers incident to a debt settlement by requiring state control of the drafting of the composition plan and supervision of its execution. The federal government would intervene only to the extent of passing upon the equitability of the plan with reference to compelling its

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[3] *State ex rel. Bottome v. City of St. Petersburg,* 170 So. 730 and *Commrs. of Sinking Fund v. City of Philadelphia* 188 Atl. 314. The United States Supreme Court refused to review a federal district court decision that mandamus would not be issued pending the efforts of the State Municipal Finance Commission of New Jersey to obtain a settlement of the debts of Asbury Park (*United States ex rel. Christmas v. Asbury Park, 78 Fed. (2nd) 1003*).

[4] Such a proposal for complementary national and state action is not new. The author advanced the idea in 1933 in *The Internal Debts of the United States* (Twentieth Century Fund, Evans Clark, Ed.). *The Yale Law Journal* (April 1934) urged similar action. Dr. A. M. Hillhouse favored this action as one of a series of remedial measures in his authoritative study of *Municipal Bonds.*

acceptance by minority creditors. The courts, consequently, would assume their true judicial function of reviewing action of administrative agencies in which would be vested the powers, now improperly allocated or unexercised, of investigation, determination of capacity to pay, and continuous supervision. The revised federal act would apply uniformly to all states, but the law would be operative only in states taking positive action to control and cure local defaults.

The previously cited cure of many defaults, especially of large cities, tempts the conclusion that machinery for debt composition is unnecessary. The bulk of defaults, however, continues uncured. During 1936 the total number of defaults by regular local units decreased by 200 to 2,037. An increase in special district defaults offset partially the decrease so that the total of 3,051 defaulting units must endeavor to find remedies without "benefit of clergy" or government.

SUPERVISING CREDITORS AND DEBTORS

One advantage of administrative supervision, in addition to judicial review of debt settlements, is that a medium is created to regulate bondholders' protective committees and to guard against the abuses of their functions that jeopardize creditors and debtors alike. Little noticed is the fact that regulation already has been undertaken by the RFC in refinancing special districts. The compensation and expenses of the committees were scrutinized before payment to prevent unreasonable charges, and illicit trading in securities by buying bonds from uninformed holders was prevented. A standard form of deposit agreement was suggested to districts which limited the fees and expenses of representatives in transactions incident to refinancing.

Regulation of this type, reaching the committees concerned by a given agency, is open for use by any federal or state agency for application to the committees with which they are in contact. The broader question of uniform or national regulation is now in the stage of consideration as a result of the investigation of the Securities and Exchange Commission. The alternative proposals advanced by Commissioner W. O. Douglas of that body reveal the varying degree of regulation available to terminate abuses arising from the conflict in interest of the committees as representative of creditors, as attorneys, and as traders in securities.[5] As a bare minimum, he would require registration by all committees with the commission to disclose all material facts relative to their activities, powers, and pay.

To registration might be coupled minimum standards outlawing practices incompatible with the public interest, excessive fees, trading by the committee members in securities affected, favoritism in contracts, or purchase of bonds at distressed prices. If these plans proved ineffective, the Securities and Exchange Commission would be vested with active supervisory power in passing upon the fairness of committee plans, activities, and expenses. Regardless of the adoption of any variant of these plans, the proposals are valuable in directing attention to abuses arising from bondholders' committees and of inducing them to "clean house" for the performance of their normal functions, probably without the more drastic advanced regulation.

In contrast to these proposals, exclusively restricted to the bondholder creditors and not affecting the debtor municipalities, is the almost unnoticed regulation of municipal securities vested in the Securities and Exchange Com-

[5] *Legal Notes on Local Government*, Vol. II, No. 2, September 1936, pp. 81-89.

mission, a power applicable either to municipalities or bondholders. Municipal securities in general are exempt from the requirements for registration and from the detailed regulations of the federal acts. Yet sales of municipal securities are subject to certain fraud sections of the acts and to the prohibition against fraudulent interstate transactions in securities by misrepresentation in the sale of securities or any practice operating as a fraud upon purchasers. Three avenues are open for administration: first, the commission may define the devices deemed fraudulent; second, it may ask municipalities or purchasers for statements of fact; and, third, it may apply to the appropriate court for an injunction or restraining order. The working out of this regulation will be significant. Avoiding drastic control, the national supervision of transactions in local securities may minimize, if not end, abuses resulting in defaults and less spectacular disorders.

With the laws governing local borrowing determined by the states, of course, state debt statutes were for the first time subject to national influence during the depression period. Local borrowing is characteristically administered under rigid formulae specified often by constitutional prescription. What the constitutions omitted, the statutes regulated in more detail. How could the program of the Public Works Administration, entailing local borrowing under adverse conditions, be accomplished when state regulations were restrictive both as to the amounts and the purposes for which debt could be locally incurred? Significantly, the program required the reversal of the state restrictions of purpose, amount, and method; that is, purposes were broadened, amounts were increased, and methods were facilitated, not hindered.

TAX DISTRICTS AND AUTHORITIES

Two precedents pointed the way. First, the long existence of special tax districts pointed to the feasibility of creating new corporate entities, vested with debt incurring power, even though the main municipal corporations lacked the power because of the exhaustion of permitted debt margins. Special tax districts, long in disrepute, were improved by resort to the device of "authorities" that depend upon their own income producing capacity rather than on general taxation. Preferable as is the authority to the special tax district, any wide use of the device would add to an already complex public structure by the creation of many units which could be avoided if normal fiscal procedures were set up. The authority justifies itself not as a general unit but for revenue earning functions like housing or for irregular geographical areas like the Port of New York.

The second precedent afforded a way to permit normal borrowing without adding to the number of public units. By exempting self-sustaining utility bonds from debt limits, borrowing was permitted for a type of debt for which exemption from limitation could legitimately be plead. The courts had pointed the way by the special fund doctrine which defined as debt, subject to limitation, only obligations resting upon the taxing power. The PWA sought successfully to assist the states in confirming and widening this doctrine by suggesting revenue acts authorizing the financing of water works, sewer systems, and other enterprises from revenue bonds payable from earnings and exempt from debt limits. Forty-three per cent of the PWA purchases of municipal obligations were of revenue bonds.

Generated from the necessity of financing social functions without resort to

(Continued on Page 298)

Financial and Accounting Standards

Lack of the dramatic in municipal accounting makes for lack of interest in a subject which needs the careful attention of informed citizens

CARL H. CHATTERS — *Municipal Finance Officers' Association*

A Detroit city employee had to shoot himself in 1936 before the public would pay attention to city finance problems. When the city defaulted interest on more than two hundred million dollars in bonds only a few citizens lost any sleep over it. And when the city's credit was re-established by a gigantic refunding operation not a cheer was heard. But the bullet which ended the life of an embezzler was to Detroit like the "shot heard round the world."

Unfortunately, the routine work of accounting and finance in any city does not lend itself to the dramatic. A new accounting and auditing system in the city hall "rates" about five lines on an inside page of the local newspaper. But the theft of a thousand dollars through inadequate auditing makes the headlines every time. Police catch a criminal, firemen effect a rescue from an upper story, the doctor saves an ailing child—the public hears and applauds. The careful, unending labor of the municipal finance officer, holding the throttle on the city's spending machine, goes along unnoticed—unnoticed until someone shoots himself.

Such public apathy is particularly dangerous because traditional American democracy can survive only as long as citizens are interested and informed about government. Administration can be economical only when financial planning—both long and short term—is carried on continuously. Financial plans require facts—old facts, new facts, complete facts about every angle of municipal activity. And these all-important facts can be recorded, classified, and preserved only in a carefully organized scheme of accounting and reporting.

The third crusade for improved accounting is now under way. The first took place about the close of the nineteenth century under the banner of the National Municipal League and the leadership of Harvey S. Chase. The second general movement was about 1911. It resulted, through the efforts of Herman A. Metz, controller of the City of New York, in the publication of the *Handbook of Municipal Accounting*. Progress from this time on was continuous but slow. Then in 1934 the National Committee on Municipal Accounting was organized. It brought together representatives of the leading national professional accounting societies, several national public officials' organizations, and the National Municipal League. It has directed its efforts to the establishment of accounting terminology, principles, and standards of practice. It has published its *Suggested Procedure for a Detailed Municipal Audit* and another volume setting up the form, content, and operation of municipal accounting statements. In order to place before the public and public officials in a brief document the stan-

dards developed by the committee, the Municipal Finance Officers' Association has just published its pamphlet, *Standard Practice in Municipal Accounting and Financial Procedure*. The latter sets forth in check list form those things which constitute acceptable practice. The balance of this article will be devoted to a discussion of the material contained in the pamphlet.

NEED FOR ACCOUNTING

Accounting would interest more people if they knew that it had some useful end in view. Briefly stated, public records are kept for three purposes: first, to record important information; second, to prepare reports from the figures recorded and classified; and third, to form the basis for an independent audit. The bookkeeping work involved is merely a mechanical procedure and perhaps too great emphasis on this part of the process has detracted from a proper conception of its broader use.

Both layman and public official should consider as a whole the financial work of the local government. There are four or five distinct groups of functions. Each part of the financial procedure must be considered in its relation to all the others. The accounting and internal audit control provide the mechanism for recording information and controlling expenditures and revenues. Another related group centers about the collection, custody, and disbursement of public moneys. Most municipalities have an independent audit of their accounts by state employees or independent accountants. This constitutes the third group of activities. These are all allied to the assessment of property and the purchasing of supplies and services. The latter constitute the fourth and fifth groups of financial activities.

The budget is a plan of proposed expenditures for a given period or purpose and the means of financing them. Too many persons think of the budget only in terms of expenditures, failing to comprehend that it includes not only the work proposed to be done but also the means of financing it. Furthermore, the budget ought to be thought of in terms of actual tasks to be performed instead of being expressed solely in terms of dollars and cents. The mere fact that street repair, for example, costs one million dollars in any given year is no indication whatsoever that a similar amount is needed the following year. The amount of the appropriation rather should be guided by the actual volume of work to be performed and this volume of work, together with the unit costs thereof, ought to be disclosed in the budget document.

Control of the budget is just as essential as its preparation and execution. Many cities control expenditures only within the amount of the appropriations, while others, such as those in Kansas, are compelled to limit expenditures to the actual cash received. The charter of the city of Duluth provides that no department may spend more than 95 per cent of the amount appropriated until a larger amount has actually been collected. The control of expenditures is best carried on in larger cities through the use of an allotment scheme. This provides for careful estimates, by monthly or quarterly periods, of both revenues and expenditures and the adjustment of the spending program if revenues fail to materialize or spending goes on more rapidly than estimated.

There is nothing mysterious about the so-called double entry plan of accounting. It is generally recognized as the only acceptable method for any public body except those so small that they contain no citizen eligible to public office who is or can become familiar with elementary bookkeeping methods. Neither does a discussion of the cash and accrual basis of accounting need to

keep any municipality from having adequate records. A modified form of the accrual basis is recommended. If the books are kept on this basis, then a city knows at all times not only what it has paid out in cash but also the obligations it has incurred that must later be met in cash. Under this system, the city should also make a record of the amounts that other persons and public bodies owe to it. The cash basis of accounting, on the other hand, recognizes only the cash transactions of the government and fails to record the amounts that may be due to the city for taxes or services rendered and does not ordinarily recognize the obligations represented by purchase orders and contracts which later will become definitely determined liabilities. It is apparent that a strict budgetary control can be exercised only when expenditures are recorded on the so-called accrual basis.

MANUAL OF INSTRUCTION

The accounting plan of a municipality should be contained in a manual of instructions. The duties of each individual will be clearly set forth in this manual. It will show, among other things, a chart of accounts for the general ledger and each subsidiary ledger. It ought to describe how to handle the various types of transactions that will arise in the course of business. Only in this way can there be continuity in the work of the organization and comparable handling of similar items. A classification of revenue and expenditure accounts should be employed on a uniform basis throughout any given state. This classification should be designed in accordance with the standards most generally accepted; namely, those of the United States Bureau of the Census. The reader should bear in mind that the principal use of a classification is to see that money expended for similar purposes is charged to an account having the same name in each municipality. It may be that in one city, because of the particular type of organization, the activities will be grouped by departments in some arbitrary way and in another city the same activity may be found in a different department. If, however, the cost of each activity is properly recorded, then for statistical purposes they may be regrouped into some arbitrary framework on a national basis.

The surplus account in a municipal balance sheet needs careful explanation. Frequently a figure labeled surplus is merely the difference between all of the so-called assets and all of the so-called liabilities of a city regardless of the type of thing they represent and regardless of the fund to which they belong. From the standpoint of municipal administration the surplus account in the general fund or operating funds ought to be, generally speaking, the difference between the current assets and the current liabilities plus reserves. Even when so stated it ought to be divided further between surplus that is available for appropriation at this time and surplus that is represented by accounts receivable or taxes receivable and therefore not available until collected. It has been customary many times to subtract the bonded debt from the book value of fixed properties and call the difference surplus. Some have gone even further and combined this figure with the current surplus of the municipality. The difference between the property account and the debt account, except in the case of municipal utilities, cannot be considered a municipal surplus since the debt will not be liquidated from the assets nor could the assets be sold to pay off the debt.

The use of funds distinguishes municipal accounting from private, corporate accounting. It is recommended that, unless required by law, municipalities divide their accounts into the following

fund groups: general fund, special revenue fund, working capital fund, special assessment fund, bond fund, sinking fund, trust and agency fund, and utility fund. The use of a large number of funds, even when required by law, greatly complicates the accounting procedure. It also makes the presentation of reports more difficult. However, every municipality must keep its records in such a way that it can disclose the assets and liabilities as well as the financial transactions of each fund. This does not prevent the officials, however, from trying to work out a more simplified procedure through the elimination or combination of unnecessary funds. There is much confusion between a fund and an appropriation. A fund consists of assets set aside to carry on some particular line of activity. Usually the establishment of a fund carries no authority to spend. On the other hand, the appropriation is legislative authority to spend a definite sum of money or a sum determined by the amount of the income of a fund. Furthermore, departmental appropriations should not be confused with funds. A large number of departmental appropriations may be payable from the general fund or from several of the other funds.

Adequate accounting procedure will provide for the control of expenditures and a record of cash receipts that may readily be audited. The chief financial officer in any local government ought to have sole control over all receipt forms, permits, and other stationery used in connection with the collection of cash. The use of receipts with stubs is permissible only when collections are being made against a tax roll or other amounts which have been independently and exactly predetermined by some agency other than the one making the collection. The general rule should be to use receipts with a carbon copy except when some other alternative is essential.

DEPOSIT OF FUNDS

The city treasurer should deposit each day in his depository the exact amount he collected the day before. This is the most satisfactory basis from every angle. Furthermore, every individual in the city's employ who collects money independently of the treasurer's office ought to deposit it with the treasurer as frequently as possible, and at least once each week. At no time should any public official carry a bank account in which he has city money in his own name. If the law or administrative regulations require him or permit him to retain cash until the end of a month, then it ought to be placed in a bank account which is clearly designated as the property of the municipality. There is only infrequent justification for a system that permits any public employee except the treasurer to retain municipal funds in his possession even for a short period of time.

There should be a payroll register on which the names of all city employees are listed regularly. It should be compared each pay day with the previous payroll or with the records of the civil service commission. A new name should be accepted only when completely verified. Employees should be paid by check and not with cash. Neither should the claims against a municipality for materials, supplies, and services be paid by cash, but should in all cases be made by warrant, check, or voucher.

The accounting process costs money and requires care. It can be justified only by its actual use. This justification is found in the preparation of reports for administrative officials, for the city council, and for the public. During the fiscal year the chief executive will need complete information about the realization of revenues and the rate of spending against the various appropriations. He will need special reports best obtainable from the accounting records. When the

city council is passing on the budget, it will need a mass of detailed information about comparative costs and work programs. At the end of the year, and perhaps more frequently, the public should be told in simple form and yet in a complete manner about the financial operation of the government. Even in a report prepared in popular style with pictures, graphs, and interesting text there is no excuse for omitting essential financial data which will disclose in summary form the principal sources of income and expenditure and the results of the year's operations. The same report should show in summary form the condition of all municipal funds. The general appearance of public reports and the display of their contents in an interesting manner has received rapid development during the past ten years as disclosed in the annual articles by Clarence E. Ridley in the National Municipal Review. There is now need to devote attention to the content of the reports as well as their form and appearance.

No consolidated balance sheet should combine similar accounts of all funds unless it gives the details for each fund in adjoining parallel columns. It is misleading to prepare a statement showing the cash, taxes receivable, investments, notes payable, and other liabilities of all funds. Each fund was set up by law for a specific purpose. The cash in the general fund, for instance, cannot legally be used for trust fund or special assessment fund purposes. Neither can the surplus in any of the funds be properly transferred. Each of the major funds established by law must be considered as a separate financial unit and the acccounts must be displayed accordingly. If there is a combined surplus for all funds, it must be considered in the light of the needs of each fund and cannot be disposed of as one single figure of surplus. Proper segregation on the balance sheets and proper segregation of fund assets in the bank is essential to the legal administration of municipal finances.

COMPARISONS OF MUNICIPAL EXPENDITURES

Until municipal cost accounting has been further developed there will continue to be no proper basis for comparing the expenditures of one municipality with those of another. Neither will there be any adequate basis for the budgeting of many municipal activities. But cost accounting will be developed chiefly for its use from the standpoint of management. It will permit the chief executive to know whether or not the same crew of workmen is performing similar services at similar costs at different times and whether or not different crews of men are performing similar work at similar costs at the same time. The development of cost accounting will permit public officials to make budgets based on the actual work to be performed and the unit cost of performing each operation. Eventually, when cost accounting and the elements entering into costs have been fully defined and controlled, it may be possible to work out a system whereby the costs of similar activities in different cities may be compared. Until then, cities will be compared by means of their total tax rates, which, in the opinion of the author of this article, is worse than no comparison at all. Many municipalities have already made some activities subject to cost finding. It is quite probable that researchers during the next few years will develop criteria and means by which other activities may also be made subject to cost finding.

Most municipalities have an annual audit of their accounts by state officials or independent, practicing account-

(Continued on Page 328)

Municipal Bond Defaults

The default era, so far as the larger cities, counties, and school districts are concerned, is practically over

SANDERS SHANKS, JR. *The Bond Buyer, New York*

ADDRESSING a national conference of mutual savings bankers in New York City in April, a speaker called attention to the progress made in the last two years in cleaning up the municipal bond defaults which had occurred during the depression years. Using statistics furnished by *The Bond Buyer,* it was shown that during the two years ended March 1, 1937, the one state which had defaulted had been refinanced. The number of defaulting counties had been reduced from 359 to 208, a 42 per cent gain. At the beginning of the period 870 cities and towns were listed as in default, while at the close of the period the number had been reduced to 684, a 21.3 per cent improvement.

The appended tabulation, revised to May 1, 1937, presents the current picture somewhat more completely and revised in accordance with data received in recent weeks. It should be noted that two-thirds of the total number of defaulting units are situated in these six states: Florida, Texas, North Carolina, Louisiana, New Jersey, and Ohio. In two of these states (Florida and Louisiana) available information on the current status of the municipalities listed as in default is not as comprehensive as in the case of most of the other states and it is probable that, could a closer check be made, the number of defaulting units shown could be reduced. Certainly it is true that, through refunding operations and cash payments of past-due items, steady progress is being made in all states in restoring debtors to a current basis.

Another point which may be made is that, with very few exceptions, it is the small municipalities, having a comparatively insignificant aggregate of outstanding debt, that are still behind with debt service payments. The reader should also keep in mind that a municipality, listed as in default, may have merely fallen behind to the extent of a half-year's interest or on a portion of its maturing debt principal. Unlike corporation bonds, inability on the part of a municipality to meet interest coupons or maturing principal does not accelerate future maturities of the same bond issue, nor does it place other issues of the municipality in a condition of default. While the investor attitude may be that it is the municipality as such, rather than a specific bond or interest coupon, that is in default, it is important to bear in mind this difference between private and public debts when attempting to visualize the aggregate dollars-and-cents amount of bond or interest coupons which are actually past due at this date.

So far as the larger cities, counties, and school districts of the country are concerned, the default era is practically

SUMMARY OF MUNICIPAL DEBT DEFAULTS

Revised to May 1, 1937

As Reported to *The Bond Buyer*, New York

The reports summarized below relate only to defaults on bonds, notes, certificates of indebtedness, etc. Many default reports are from unofficial sources, but a continuous effort is being made to secure official confirmation of all defaults. In numerous instances defaults may be restricted to a small amount of principal and interest, and in others defaults may have been cured since the date of our last information. It should also be kept in mind that in certain states machinery exists which makes it possible to compile complete statistics, whereas in other states available information may be incomplete. For this reason too much reliance should not be placed upon the comparative showing of the several states.

States	Counties	Cities and Towns	School Districts	Other Districts	Total Number Municipalities	Reclamation, Levee, Irri. & Drainage Districts	Special Assmt.	Grand Total Municipalities and Spec. Districts
Alabama	..	8	..	..	8	1	1	10
Arizona	3	5	6	..	14	3	4	21
Arkansas	10	6	77	..	93	134	..	227
California	2	6	17	..	25	133	49	207
Colorado	1	7	10	..	18	12	2	32
Florida	40	161	201	102	504	72	8	584
Georgia	1	1	2	..	4	..	..	4
Idaho	1	10	..	..	11	22	25	58
Illinois	..	2	6	1	9	8	93	110
Indiana	8	..	1	..	9	1	4	14
Iowa	..	1	3	..	4	4	6	14
Kansas	..	4	..	..	4	..	..	4
Kentucky	21	5	2	..	28	9	4	41
Louisiana	22	5	42	100	169	63	3	235
Michigan	1	24	53	..	78	16	5	99
Minnesota	4	20	8	..	32	..	1	33
Mississippi	9	4	4	5	22	13	..	35
Missouri	..	3	2	..	5	22	..	27
Montana	1	2	1	..	4	5	43	52
Nebraska	..	5	3	..	8	3	..	11
Nevada	..	..	..	..	..	1	..	1
New Jersey	..	52	89	..	141	..	..	141
New Mexico	..	1	4	..	5	2	4	11
New York	..	1	..	..	1	..	1	2
North Carolina	32	97	41	..	170	11	4	185
North Dakota	4	19	7	..	30	..	21	51
Ohio	3	65	45	..	113	1	2	116
Oklahoma	1	32	1	..	34	46	5	85
Oregon	..	15	..	..	15	23	2	40
Pennsylvania	..	7	4	1	12	..	1	13
South Carolina	3	12	3	..	18	2	..	20
South Dakota	2	14	17	..	33	5	4	42
Tennessee	4	18	..	..	22	5	1	28
Texas	30	81	40	44	195	44	3	242
Utah	1	6	1	..	8	6	..	14
Virginia	..	2	..	..	2	..	..	2
Washington	..	1	..	..	1	4	18	23
Wisconsin	3	..	..	..	3	2	..	5
Wyoming	..	2	..	..	2	1	2	5
Total	207	704	690	253	1854	674	316	2844

over. A recent survey of the situation in 103 counties, cities, and districts which defaulted during the depression period disclosed the following picture:

Of fifty-four cities (minimum population 25,000) with aggregate population of 13,770,174 and gross debt of $3,742,560,059, only four have failed to work out a solution of their debt problems. These four cities had an aggregate population of only 121,657 and an aggregate gross debt of only $21,886,266.

As for counties (minimum population 100,000) eighteen out of nineteen were off the default list and twenty-one out of twenty-four defaulting school districts (minimum population 25,000) were marked "cured." Of six other districts, two of the smaller units, with aggregate gross debt of less than $1,000,000, have not yet cured their defaults.

FEDERAL REGULATION OF LOCAL DEBT

(Continued from Page 290)

taxation, the revenue bonds lack clear remedies for default by reason of the judicial preoccupation with distinguishing revenue bonds from general debt.[6] A lien on the property would give the bondholder legal title to a property he could not operate. If the equity powers of the courts governing specific performance and mandatory injunctions are clarified, the utility rates could be supervised and their proceeds could be applied to retire the revenue debt. Ultimate resort to the taxing power might be provided in event the utility is habitually deficit producing. New Jersey in 1936 recognized the undesirability of completely separating general and revenue bonds by subjecting the utility debt to general limits if, when, and as the utility fails to be self-sustaining. A protection to the community, as well as to the bondholder, is the appointment of a receiver in event of default to manage the property during bankruptcy. A number of states authorize receivers, but the authority rarely is invoked.

The legislation recommended by the PWA for authorities, revenue bonds, and borrowing procedure is but the more spectacular example of a device long used intermittently by national agencies. A lesson for permanent use to be derived from the various suggested laws and ordinances is the distinctive value of coöperative codification of procedural and substantive regulations. Financial subjects, especially local borrowing, budgeting, and reporting, invite collaborative drafting of codes by national, state, and local officials. Processes now untouched by authoritative codes should not await the duress of another depression to impell the preparation of rules specifying scientific procedures, authorizing modern functions, and defining the powers and responsibilities of the respective jurisdictions.

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[6] John Pershing, *Legal Notes on Local Government*, Vol. II, No. 5, March 1937, pp. 261-71.

Editor's Note.—This is the first of two articles by Mr. Kilpatrick. The second, entitled "Function of Federal Recovery Agencies in Municipal Recovery," will appear in the July 1937 issue of the Review.

Material on which the present article is based was collected by the author for the Urbanism Study of the National Resources Committee. The opinions and suggestions advanced in the article are expressed upon the sole responsibility of the author, not the committee.

The Bonded Debt of 272 Cities as at January 1, 1937

New tabulation shows some recession in gross bonded debt for all but largest cities which show slight increase

ROSINA MOHAUPT — *Detroit Bureau of Governmental Research*

THE fifteenth annual compilation of the bonded debt of American cities over 30,000 population reports a total of $5,662,462,000 of gross debt as of January 1, 1937, or an average for each city reporting of $21,778,700. The net debt excluding self-supporting utilities is $3,930,958,000. Unfortunately a report on the debt of New York City was not available this year which makes comparison of this year's total bonded debt with that of last year impossible.

There are 310 American cities over 30,000 in population. Practically all of group I,[1] II, and III cities reported. Estimating the debt of New York City and other cities omitted from groups IV and V, the total gross bonded debt for all American cities above 30,000 population as of January 1, 1937, becomes $8,239,000,000, or $175.65 per capita.

The data were collected as in the past, through the coöperation of public officials and other public agencies. The per capita debt figures are based on the 1930 United States census since conditions are such that the usual methods of estimating increases based on the previous decade are hardly considered valid due to the depression. Washington, D. C., has no debt, and so is not considered in computing the per capita debt of group II cities—in past years this was included and reduced the per capita debt for this group proportionately. The tabulation shows the data for Canadian cities as in the past, but they are not included in any of the statistical summaries. The same form of presentation has been used as in past years.

The trend of debt is shown best by the data for cities reporting in both 1936 and 1937. Using only these comparable cities, 19 cities are eliminated as not reporting in 1936, reducing the total to 241 cities for comparative purposes. (See Table I.)

Table I should be considered in conjunction with Table II showing the same figures on a per capita basis.

From these two tables it appears that there is some general recession in gross bonded debt for all groups of cities except group I, the very largest cities, where the increase was not large, some $33,000,000. Group V cities showed an increase of $2,000,000 in net debt, which with a decrease in the gross debt for the same cities, may be due to refunding operations. Against a total increase for all cities of $14,500,000 of gross bonded debt, there is a decrease in the net debt less self-supporting of about $46,000,000.

The per capita figures illustrate these trends in smaller figures. The 1936 re-

[1]The United States Census groups cities according to population as shown in the attached tabulation.

TABLE I

COMPARISON OF GROSS AND NET BONDED DEBT—241 COMPARABLE AMERICAN CITIES 1937-1936

(in thousand dollars)

Group	Gross Bonded Debt 1937	Gross Bonded Debt 1936	Net Debt Less Self Supporting 1937	Net Debt Less Self Supporting 1936
I	$2,677,344	$2,644,610	$1,802,009	$1,831,818
II	742,479	749,920	491,413	497,362
III	1,344,765	1,348,241	938,949	950,159
IV	507,298	512,387	395,504	397,146
V	276,726	278,974	213,373	211,149
Totals	$5,548,612	$5,534,132	$3,841,248	$3,887,634

TABLE II

COMPARISON PER CAPITA GROSS AND NET DEBT—241 COMPARABLE AMERICAN CITIES 1937-1936

Group	Population	Gross Bonded Debt 1937	Gross Bonded Debt 1936	Net Debt Less Self Supporting 1937	Net Debt Less Self Supporting 1936
I	13,898,096	$192.64	$190.29	$129.66	$131.80
II	4,200,512	176.76	178.53	116.99	118.41
III	10,385,683	129.48	129.82	90.41	91.49
IV	4,740,346	107.02	108.09	83.43	83.78
V	3,189,509	86.76	87.47	66.90	66.20
Totals	36,414,146	$152.38	$151.98	$105.49	$106.76

TABLE III

CHANGES IN BONDED AND NET DEBT—241 COMPARABLE AMERICAN CITIES 1937-1936

Group	Gross Bonded Debt Increase	Gross Bonded Debt Decrease	Same	Net Debt Less Self-Supporting Increase	Net Debt Less Self-Supporting Decrease	Same
I	4	8	0	5	7	0
II	3	8	0	3	8	0
III	23	42	1	26	39	0
IV	26	41	3	25	45	1
V	27	53	2	32	49	1
Totals	83	152	6	91	148	2

port of bonded debt showed a per capita decrease in gross debt of $1.20 under the 1935 figures, against an increase this year of 40 cents over 1936. Thus, from these data it may be assumed that some slight upward tendency is noted in financing capital improvements from debt although it is not particularly marked at this time. This movement, however, is counterbalanced by a $1.27 decrease in per capita net bonded debt, excluding self-supporting, since 1936, as compared with the five-cent per capita decrease from 1935 to 1936. This net debt less self-supporting utilities is computed by deducting all sinking funds and all self-supporting utilities. Increased sinking funds may be due to larger contributions to the funds, or may be due in part to bookkeeping changes in accounting for the funds, such as was the case this year in Chicago, Pittsburgh, and Buffalo which reported a total increase of about $35,000,000 in sinking funds.

Table III confirms the former statement that the trend of debt is fairly stationary. In the 1936 report, it was found that 156 cities reduced their gross debt and 84 increased it over 1935, which is about the same situation as reported here. The current trend of debt is more to retire the outstanding

(Continued on Page 327)

BONDED DEBT OF 272 CITIES AS AT JANUARY 1, 1937

Compiled by the Detroit Bureau of Governmental Research, Inc.

From Data Furnished by Members of the Governmental Research Association, City Officials and Chambers of Commerce

		Census 1930	GROSS BONDED DEBT: General Improvement	Public Schools	Public Utilities	Total	SINKING FUND: Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	NET BONDED DEBT: Total	Excluding Self-supporting	Per Capita Excluding S. S.	Total Gross Special Assessments	Total Special Assessments, General Obligation	
	Group I															
	Population 500,000 and over		$	$	$	$	$				$	$	$	$	$	
1	New York, N. Y.[1]	6,930,446	Not Reporting													1
2	Chicago, Ill.[2]	3,376,438	346,279,970	41,432,000	4,620,000	392,331,970	35,588,429	86	14	..	356,743,541	356,743,541	105.65	19,624,000	.....	2
3	Philadelphia, Pa.[3]	1,950,961	552,029,500	61,211,000	.....	613,240,500	168,545,563	83	17	..	444,694,937	384,694,937	197.18	N	N	3
4	Detroit, Mich.[4]	1,568,662	185,971,221	71,659,937	125,652,333	383,283,491	13,985,856	3	..	97	369,297,635	279,293,545	178.05	966,000	966,000	4
5	Los Angeles, Cal.[5]	1,238,048	57,916,772	61,787,576	191,822,900	311,527,248	2,433,917	..	..	100	309,093,331	128,089,648	103.46	9,133,951	N	5
6	Cleveland, O.[6]	900,429	80,190,154	13,820,750	27,556,000	121,566,904	3,918,315	82	18	..	117,648,589	90,092,589	100.06	3,498,744	3,498,744	6
7	St. Louis, Mo.	821,960	81,582,000	3,516,000	7,202,000	92,300,000	3,388,278	62	32	6	88,911,722	81,919,588	99.66	N	N	7
8	Baltimore, Md.[7]	804.874	127,088,765	25,292,315	35,434,500	187,815,580	31,335,431	84	4	12	156,480,149	111,984,862	139.13	274,000	274,000	8
9	Boston, Mass.[8]	781,188	72,707,300	9,607,000	76,451,700	158,766,000	25,885,857	38	12	50	132,880,143	69,449,991	88.90	.....	.....	9
10	Pittsburgh, Pa.[9]	669,817	52,708,300	22,365,745	6,256,300	81,330,345	8,455,742	69.5	30	.5	72,874,603	66,655,380	99.51	N	N	10
11	San Francisco, Cal.[10]	634,394	39,799,800	13,175,000	114,174,000	167,148,800	N	..	..	..	167,148,800	93,631,800	147.59	943,000	.....	11
12	Milwaukee, Wis.[11]	578,249	42,209,091	7,181,500	20,000	49,410,591	5,148,525	84	16	..	44,262,066	44,242,066	76.51	.....	.....	12
13	Buffalo, N. Y.	573,076	82,486,280	18,291,500	17,844,638	118,622,418	11,151,412	50	..	50	107,471,006	95,209,173	166.14	1,125,000	.....	13
	Group II															
	Population 300,000 to 500,000															
14	Washington, D. C.	486,869	No Bonded Debt													14
15	Minneapolis, Minn.[12]	464,356	37,330,086	18,705,174	3,397,000	59,432,260	5,447,395	61	33	6	53,984,865	51,267,775	110.40	7,410,800	2,248,119	15
16	New Orleans, La.[13]	458,762	50,476,000	4,931,000	3,000,000	58,407,000	N	..	..	..	58,407,000	55,407,000	120.77	5,630,000	5,630,000	16
17	Cincinnati, O.[14]	451,160	46,003,202	13,693,000	40,096,639	99,792,841	34,113,076	45	8	47	65,679,765	35,992,349	79.77	3,641,752	3,641,752	17

*=Estimated. N=None.

[1]**New York.** 1937 bonded debt information not available.

[2]**Chicago.** General bonds include sanitary district bonds, $118,772,076, or 85 per cent of the total debt of the district, which is the proportion of taxable values within the city, and the bonds of the various park districts now consolidated. County debt, $47,541,910, and forest preserve district (coterminous with the county) $12,415,750, are not included; 83 per cent of the taxable values of county and forest preserve district are within the city. Utility bonds are light and power.

[3]**Philadelphia.** General bonds include utility debt. Net self-supporting debt is estimated at $60,000,000. There is no county debt.

[4]**Detroit.** Public utility bonds include light and power, $22,092,000 (not self-supporting) and street railway, $35,857,000. General bonds include $3,300,000 sewage disposal bonds which are not faith and credit bonds. Debt shown is as of March 31, 1937.

[5]**Los Angeles.** General bonds include flood control, $19,584,397, based upon proportion of taxable values within the city; utility bonds include light and power, $29,971,000; harbor, $18,634,000 (55 per cent self-supporting); and metropolitan water district, $74,490,000. School bonds are issued by the county, the city's pro-rated share being reported. The city's portion of county debt, $2,847,950, is omitted.

[6]**Cleveland.** Utility debt includes light and power, $4,045,000.

[7]**Baltimore.** In addition to water debt, general bonds for conduit and certain harbor terminal debt are deducted as self-supporting.

[8]**Boston.** County debt of $1,410,000 (sinking fund, $898,803) not included, though city assumes full burden. Utility bonds include water, $943,000; street railway, $56,058,700; and traffic tunnel, $19,450,000.

[9]**Pittsburgh.** In previous years sinking fund has been reported as at December 31. This year the sinking fund is as of January 1, after the 1937 appropriation of $4,425,145 has been added.

[10]**San Francisco.** Utility debt includes street railway, $1,600,000; water debt includes power. Golden Gate Bridge and Highway District general obligation bonds, $31,500,000, not included; if not self-supporting, city will pay 85 per cent of cost.

[11]**Milwaukee.** General bonds include Metropolitan Sewage District, $17,328,891, which is the city's share (79.4 per cent) of the total debt of the district.

[12]**Minneapolis.** Utility bonds include market, $350,000.

[13]**New Orleans.** General bonds include sewer, water, and drainage bonds. Utility bonds are Public Belt R. R. Report does not include Public Belt Bridge revenue bonds, $6,000,000; Port (a state agency), $37,824,000; Orleans Levee District (coterminous with city), $21,064,234.

[14]**Cincinnati.** General bonds include university, $3,094,088; utility bonds include rapid transit, $6,100,000; Cincinnati Southern Railway construction, $15,018,239, and terminal, $6,900,000; and airport $702,000. The annual rental of the railroad exceeds the debt charges on its construction bonds, the excess being equivalent to debt charges on approximately $11,500,000 25-year 4 per cent bonds; self-supporting debt is computed on this basis.

		Census 1930	GROSS BONDED DEBT General Improvement	Public Schools	Public Utilities	Total	SINKING FUND Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	NET BONDED DEBT Total	Excluding Self-supporting	Per Capita Excluding S. S.	Total Gross Special Assessments	Total Special Assessments, General Obligation	
18	Newark, N. J.[15]	442,337	83,565,303	18,858,200	21,831,000	124,254,503	15,686,555	81	..	19	108,567,948	89,701,016	202.79	N	N	18
19	Kansas City, Mo.	399,746	26,520,000	20,501,000	13,535,000	60,556,000	5,690,206	5	95	..	54,865,794	41,347,701	103.43	N	N	19
20	Seattle, Wash.[16]	365,583	14,185,000	9,680,000	53,191,000	77,056,000	581,571	71	29	N	76,474,429	23,283,429	63.68	19,199,962	N	20
21	Indianapolis, Ind.[17]	364,161	15,771,840	9,938,000	8,000,000	33,709,840	2,244,148	29	71	N	31,465,692	23,465,692	64.43	1,676,746	N	21
22	Rochester, N. Y.[18]	328,132	42,113,000	15,904,000	6,462,000	64,479,000	5,225,702	56	19	25	59,253,298	54,069,897	164.78	7,629,000	7,629,000	22
23	Jersey City, N. J.	316,715	47,457,233	13,455,000	14,791,255	75,703,488	7,192,984	31	21	48	68,510,504	57,184,471	180.55	N	N	23
24	Louisville, Ky.[19]	307,745	29,123,800	11,000,000*	1,079,000	41,202,800	7,540,994	90	..	10	33,661,806	33,352,926	108.37	155,958	N	24
25	Portland, Ore.[20]	301,815	21,806,060	7,340,596	18,739,000	47,885,656	7,563,680	37	..	63	40,321,976	26,341,007	87.27	5,110,680	5,110,680	25
	Group III Population 100,000 to 300,000															
26	Houston, Texas	292,352	26,749,750	12,226,500	1,991,000	40,967,250	5,125,417	64	26	10	35,841,833	34,349,112	117.49	N	N	26
27	Toledo, Ohio	290,718	26,141,500	14,134,500	608,000	40,884,000	2,877,540	68	28	4	38,006,460	37,503,425	129.00	N	N	27
28	Columbus, Ohio[21]	290,564	23,036,080	8,102,220	6,704,500	37,842,800	6,775,782	38	37	25	31,067,017	26,717,085	91.94	3,240,295	3,240,295	28
29	Denver, Colo.[22]	287,861	6,995,000	7,829,000	39,233,200	54,057,200	731,508	24	N	76	53,325,692	28,261,731	98.17	5,516,200	1,058,500	29
30	Oakland, Cal.[23]	284,063	9,619,887	10,998,813	36,628,725	57,247,425	N	..	..	..	57,247,425	20,618,700	72.58	N	N	30
31	St. Paul, Minn.	271,606	21,143,000	10,374,000	6,588,000	38,105,000	7,042,611	39	42	19	31,062,389	25,829,338	95.10	6,000,000	.....	31
32	Atlanta, Ga.	270,366	6,702,500	5,515,000	2,488,000	14,705,500	1,645,773	51	18	31	13,059,727	11,075,434	40.96	133,900	133,900	32
33	Dallas, Texas	260,475	19,718,000	6,700,250	11,374,000	37,792,250	2,992,714	63	..	37	34,799,536	24,541,235	94.21	N	N	33
34	Birmingham, Ala.	259,678	12,092,000	9,504,000	2,000,000	23,596,000	2,492,363	..	..	..	21,103,637	19,103,637	73.56	1,499,000	1,499,000	34
35	Akron, Ohio	255,040	24,888,445	6,819,051	9,736,532	41,444,028	2,428,516	19	14	67	39,015,512	30,916,484	121.22	3,323,900	3,323,900	35
36	Memphis, Tenn	253,143	16,720,000	5,779,000	5,343,000	27,842,600	2,178,737	52	33	15	25,663,863	20,644,465	81.55	714,000	714,000	36
37	Providence, R. I.	252,981	28,145,000	13,826,000	18,000,000	59,971,000	15,738,150	49	18	33	44,232,850	31,425,000	124.21	N	N	37
38	San Antonio, Texas	231,542	15,168,000	7,033,000	6,251,000	28,452,000	1,012,128	76	12	12	27,439,872	21,307,506	92.02	N	N	38
39	Omaha, Neb.[24]	214,006	11,908,475	6,527,250	6,578,000	25,013,725	6,141,937	15	18	67	18,871,788	16,422,788	76.73	4,349,750	1,282,000	39
40	Syracuse, N. Y.[25]	209,326	25,306,505	6,796,296	5,744,125	37,846,926	8,019		..	100	37,838,907	32,102,801	153.36	1,484,000	1,484,000	40
41	Dayton, Ohio[26]	200,982	8,573,600	6,936,711	4,594,000	20,104,311	2,123,876	45	9	46	17,980,435	14,375,732	71.52	755,861	.....	41
42	Worcester, Mass.	195,311	9,247,000	343,000	2,906,500	12,496,500	426,698	100	..	.	12,069,802	9,163,302	46.91	N	N	42
43	Oklahoma City, Okla.	185,389	9,667,400	5,454,123	4,970,800	20,092,323	6,555,852	42	26	32	13,536,471	10,700,195	57.71	3,657,518	N	43
44	Richmond, Va.[27]	182,929	24,605,112	6,184,438	7,155,550	37,945,100	13,816,537	68	14	18	24,128,563	19,523,160	106.72	N	N	44
45	Youngstown, Ohio	170,002	7,056,952	2,007,000	890,000	9,953,952	340,439	82	18	N	9,613,513	8,723,513	51.31	542,000	N	45
46	Grand Rapids, Mich.	168,592	7,637,800	3,048,326	2,855,000	13,541,126	2,390,000	53	N	47	11,151,126	9,416,126	55.85	1,951,200	1,951,200	46
47	Hartford, Conn.	164,072	12,267,000	6,236,000	2,940,000	21,443,000	3,598,728	62	28	10	17,844,272	15,275,423	93.10	N	N	47
48	Fort Worth, Texas	163,447	13,004,000	6,902,500	8,240,000	28,146,500	1,445,851	35	62	3	26,700,649	18,504,649	113.21	N	N	48
49	New Haven, Conn.	162,655	13,746,000	334,000	N	14,080,000	1,051,331	84	16	N	13,028,669	13,028,669	80.10	N	N	49
50	Flint, Mich.	156,492	7,468,658	6,869,000	2,067,500	16,405,158	2,784,183	29	40	31	13,620,975	12,415,665	79.33	1,723,000	1,723,000	50

[15]**Newark.** General debt includes city railway (subway), $2,709,000 not self-supporting. School sinking fund is included under general sinking fund.

[16]**Seattle.** Utility bonds include light and power, $36,634,000, and street railway, $8,873,000.

[17]**Indianapolis.** Utility debt is gas bonds. School debt includes $613,000 library bonds.

[18]**Rochester.** General bonds include tax revenue, $4,700,000, and local assessment, $7,629,000.

[19]**Louisville.** General debt and school debt total, $40,123,800. Amount of school debt estimated.

[20]**Portland.** General bonds include dock, $6,489,800, and city's share (92.7 per cent) of port bonds, $2,206,260. Utility bonds include golf links, $96,000. School debt reported is city's share (97.22 per cent) of school district No. 1.

[21]**Columbus.** Utility debt includes light and power, $889,000.

[22]**Denver.** Utility debt includes tunnel, $13,613,600, only partially supported by earnings and not considered as self-supporting.

[23]**Oakland.** General bonds include harbor, $6,772,000. Utility bonds are city's share (60 per cent) of East Bay Municipal Utility District (Water).

[24]**Omaha.** Utility bonds include gas, $1,874,000.

[25]**Syracuse.** Utility bonds include stadium, $115,000.

[26]**Dayton.** Utility bonds include sewerage plant, $300,000. City's portion of Miami Conservancy District not included.

[27]**Richmond.** Utility bonds include light and power, $300,000, and gas, $3,349,550.

		Census 1930	GROSS BONDED DEBT General Improvement	Public Schools	Public Utilities	Total	SINKING FUND Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	NET BONDED DEBT Total	Excluding Self-supporting	Per Capita Excluding S. S.	Total Gross Special Assessments	Total Special Assessments, General Obligation	
51	Nashville, Tenn.[28]	153,866	11,357,000	2,050,000	3,500,000	16,907,000	899,683	100	..	..	16,007,317	12,507,317	81.29	93,000	93,000	51
52	Springfield, Mass.	149,900	8,699,500	1,681,500	6,666,000	17,047,000	N	..	..	..	17,047,000	10,381,000	69.25	.....	.....	52
53	San Diego, Cal.	147,995	3,285,006	4,300,125	11,738,934	19,324,065	N	..	..	..	19,324,065	19,324,065	130.57	5,217,433	.....	53
54	Bridgeport, Conn.	146,716	10,952,000	3,362,000	N	14,314,000	N	..	..	..	14,314,000	14,314,000	97.56	N	N	54
55	Scranton, Pa.	143,433	2,229,000	5,750,000	N	7,979,000	184,424	40	60	N	7,794,576	7,794,576	54.34	782,419	.....	55
56	Des Moines, Ia.	142,559	5,435,800	7,216,000	4,878,000	17,529,800	768,367	..	..	100	16,761,433	12,651,800	88.75	.....	.....	56
57	Long Beach, Cal.[29]	142,032	9,739,906	10,205,536	5,823,000	25,768,442	N	..	..	..	25,768,442	19,945,442	140.42	1,100,597	N	57
58	Tulsa, Oklahoma	141,258	9,570,008	6,392,240	4,146,000	20,108,248	3,498,217	62	38	..	16,610,031	12,464,031	88.23	.....	.....	58
59	Salt Lake City, Utah	140,267	3,613,500	3,865,000	4,521,000	11,999,500	234,582	71	29	..	11,764,918	7,243,918	51.64	.....	.....	59
60	Paterson, N. J.	138,513	12,512,614	6,021,400	14,278,000	32,812,014	.....	..	..	..	32,812,014	18,534,014	133.81	.....	.....	60
61	Yonkers, N. Y.	134,646	18,992,650	8,804,550	5,086,250	32,883,450	N	..	..	..	32,883,450	27,797,200	206.44	2,367,600	2,367,600	61
62	Norfolk, Va.[30]	129,710	19,449,522	5,998,507	14,284,771	39,732,800	11,919,680	60	..	40	27,813,120	18,271,240	140.86	N	N	62
63	Jacksonville, Fla.[31]	129,549	5,631,500	3,715,450	4,397,500	13,744,450	1,624,969	60	40	..	12,119,481	7,721,981	59.60	854,000	854,000	63
64	Albany, N. Y.	127,412	13,317,590	5,217,800	12,794,500	31,329,890	1,660,429	100	..	..	29,669,461	16,879,874	132.48	992,000	992,000	64
65	Trenton, N. J.	123,356	11,895,760	6,959,713	1,308,500	20,163,973	2,213,855	44	36	20	17,950,118	17,090,442	138.54	116,000	116,000	65
66	Kansas City, Kan.[32]	121,857	4,389,006	2,379,000	5,781,000	12,549,006	3,280,771	8	2	90	9,268,235	6,433,888	52.79	265,180	.....	66
67	Chattanooga, Tenn.	119,798	12,226,100	2,111,500	N	14,337,600	672,621	..	..	..	13,664,979	13,664,979	114.06	1,347,219	1,347,219	67
68	Camden, N. J.	118,700	22,477,685	3,898,000	1,723,975	28,099,660	2,107,279	64	28	8	25,992,381	24,446,428	205.95	N	N	68
69	Erie, Pa.	115,967	5,772,000	5,478,500	1,350,000	12,600,500	228,976	74	..	26	12,371,524	11,081,524	95.55	648,616	72,000	69
70	Spokane, Wash.[33]	115,514	2,547,000	845,000	765,000	4,157,000	259,671	28	15	57	3,897,329	3,281,197	28.40	1,423,594	N	70
71	Fall River, Mass.	115,274	5,278,500	1,555,500	174,000	7,008,000	611,000	100	..	..	6,397,000	6,223,000	53.98	N	N	71
72	Fort Wayne, Ind.	114,946	692,500	2,374,000	1,987,000	5,053,500	N	..	..	..	5,053,500	3,066,500	26.68	.....	.....	72
73	Elizabeth, N. J.	114,589	7,200,701	5,663,350	4,670,000	17,534,051	709,874	..	..	..	16,824,177	12,154,177	106.06	N	N	73
74	Cambridge, Mass.	113,643	Not Reporting													74
75	New Bedford, Mass.	112,597	5,685,223	1,823,000	1,235,000	8,743,223	835,022	100	..	..	7,908,201	7,908,201	70.23	N	N	75
76	Reading, Pa.	111,171	4,040,000	7,504,500	2,512,000	14,056,500	683,368	58	36	6	13,373,132	10,903,021	98.07	409,500	N	76
77	Wichita, Kansas	111,110	4,011,638	3,019,200	N	7,030,838	N	..	..	..	7,030,838	7,030,838	63.27	1,916,736	1,916,736	77
78	Miami, Fla.[34]	110,637	28,510,695	7,398,000	1,163,000	37,071,695	1,136,038	60	35	5	35,935,657	34,829,964	314.81	498,000	498,000	78
79	Tacoma, Wash.[35]	106,817	2,497,000	1,550,000	13,119,495	17,166,495	389,400	97	N	3	16,777,095	3,668,600	34.34	1,400,719	.....	79
80	Wilmington, Del.[36]	106,597	5,652,500	961,000	7,072,150	13,685,650	1,607,745	100	..	..	12,077,905	7,625,755	71.54	.....	.....	80
81	Knoxville, Tenn.	105,802	18,554,091	2,373,000	4,375,449	25,302,540	2,262,332	100	..	..	23,040,208	18,664,759	176.41	.....	.....	81
82	Peoria, Ill.	104,969	2,744,000	905,000	N	3,649,000	N	..	..	..	3,649,000	3,649,000	34.76	1,576,778	.....	82
83	Canton, Ohio	104,906	4,512,710	4,997,000	810,000	10,319,710	1,816,413	58	42	..	8,503,297	7,693,297	73.33	856,906	856,906	83
84	South Bend, Ind.[37]	104,193	2,144,000	2,596,000	675,000	5,415,000	239,462	44	..	56	5,175,538	4,634,940	44.48	3,485,000	3,485,000	84
85	Somerville, Mass.	103,908	2,260,894	2,079,000	29,000	4,368,894	N	..	..	..	4,368,894	4,339,894	41.76	.....	.....	85
86	El Paso Texas[38]	102,421	3,761,000	2,213,000	1,964,000	7,938,000	789,153	60	27	13	7,148,847	5,286,275	51.61	497,500	N	86
87	Lynn, Mass.	102,320	3,610,600	2,101,500	452,500	6,164,600	101,261	100	..	..	6,063,339	5,610,839	54.83	.....	.....	87
88	Evansville, Ind.[39]	102,249	1,932,200	2,043,500	1,608,000	5,583,700	303,738	55	35	10	5,279,962	3,700,962	36.19	193,839	N	88
89	Utica, N. Y.	101,740	10,862,807	1,735,705	N	12,598,512	342,705	100	..	..	12,255,807	12,255,807	120.46	.....	.....	89

[28]**Nashville.** Utility bonds include light and power, $75,000.

[29]**Long Beach.** Utility debt includes gas, $3,263,000; water debt is city's portion (8 per cent) of Metropolitan Water District.

[30]**Norfolk.** Utility debt includes port terminal, $5,461,000. General sinking fund includes school sinking fund.

[31]**Jacksonville.** Utility bonds include light and power, $1,222,500, and docks, $2,205,000. County debt of $4,336,000 not included.

[32]**Kansas City, Kansas.** Utility bonds include light and power, $2,247,000.

[33]**Spokane.** Utility bonds include golf, $72,000.

[34]**Miami.** Utility debt includes docks, $640,000.

[35]**Tacoma.** Utility debt includes light and power, $6,018,000; street railway, $343,000; garbage plant, $31,000; and port, $2,586,000.

[36]**Wilmington.** Utility debt includes harbor, $2,620,000.

[37]**South Bend.** City's share of county debt ($1,100,000) and township debt ($135,000) not included.

[38]**El Paso.** Utility debt includes sewer, $295,000, and stadium, $46,000.

[39]**Evansville.** Utility bonds include sewage revenue bonds, $883,000.

		Census 1930	GROSS BONDED DEBT				SINKING FUND			NET BONDED DEBT			Total Gross Special Assessments	Total Special Assessments, General Obligation	
			General Improvement	Public Schools	Public Utilities	Total	Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	Total	Excluding Self-supporting	Per Capita Excluding S. S.			
90	Duluth, Minn.[40]	101,463	4,936,000	3,431,000	2,070,000	10,437,000	N	..	..	..	10,437,000	8,367,000	82.46	N	N	90
91	Tampa, Fla.	101,161	Not Reporting													91
92	Gary, Ind.	100,426	2,257,297	3,347,000	N	5,604,297	46,782	100	N	N	5,557,515	5,557,515	55.34	.....	.....	92
93	Lowell, Mass.	100,234	3,498,400	609,000	407,000	4,514,400	N	..	..	..	4,514,400	4,107,400	40.97	N	N	93
	Group IV															
	Population 50,000 to 100,000															
94	Waterbury, Conn.	99,902	9,638,000	1,490,000	6,608,000	17,736,000	150,000	100	..	..	17,586,000	10,978,000	109.88	N	N	94
95	Schenectady, N. Y.	95,692	10,476,995	1,823,000	442,000	12,741,995	113,105	97	..	3	12,628,890	12,190,502	127.39	1,248,995	1,248,995	95
96	Sacramento, Cal.[41]	93,750	3,614,810	5,862,000	3,871,500	13,348,310	N	..	..	..	13,348,310	9,476,810	101.08	890,257	890,257	96
97	Allentown, Pa.	92,563	5,050,400	4,366,000	750,000	10,166,400	882,364	38	62	..	9,284,036	8,538,124	92.24	326,800	N	97
98	Bayonne, N. J.	88,979	5,192,000	4,465,500	3,394,000	13,051,500	N	..	..	..	13,051,500	9,657,500	108.53	.....	.....	98
99	Wilkes-Barre, Pa.	86,626	Not Reporting													99
100	Rockford, Ill.	85,864	189,000	900,000	100,000	1,189,000	N	..	..	..	1,189,000	1,089,000	12.68	1,597,100	N	100
101	Lawrence, Mass.	85,068	2,113,615	781,500	398,000	3,293,115	N	..	..	..	3,293,115	3,293,115	38.71	N	N	101
102	Savannah, Ga.	85,024	3,595,500	690,000	175,000	4,460,500	103,500	100	..	..	4,357,000	4,182,000	49.18	48,826	N	102
103	Charlotte, N. C.	82,675	6,644,381	1,516,000	1,768,119	9,928,500	775,635	63	8	29	9,152,865	7,605,672	91.99	1,907,083	1,907,083	103
104	Berkeley, Cal.	82,109	678,978	1,592,500	7,750,000	10,021,478	239,000	..	..	100	9,782,477	2,032,478	24.75	113,523	.....	104
105	Altoona, Pa.	82,054	Not Reporting													105
106	Little Rock, Ark.	81,679	Not Reporting													106
107	St. Joseph, Mo.	80,935	3,826,000	2,307,000	N	6,133,000	75,577	100	..	N	6,057,423	6,057,423	74.84	N	N	107
108	Saginaw, Mich.[42]	80,715	586,000	712,000	2,523,000	3,821,000	.....	..	..	..	3,821,000	2,980,000	36.92	550,000	550,000	108
109	Harrisburg, Pa.	80,339	2,951,800	2,384,500	987,800	6,324,100	112,556	19	68	13	6,211,544	5,238,744	65.20	210,900	.....	109
110	Sioux City, Ia.	79,183	2,412,000	1,709,000	25,000	4,146,000	444,365	83	17	..	3,701,635	3,676,635	46.43	N	N	110
111	Lansing, Mich.[43]	78,397	1,689,000	N	1,360,000	3,049,000	1,149,209	11	..	89	1,899,791	1,565,056	19.96	.....	.....	111
112	Pawtucket, R. I.	77,149	9,668,000	3,708,000	2,503,000	15,879,000	3,141,968	52	30	18	12,737,032	10,815,572	140.19	2,880,000	2,880,000	112
113	Manchester, N. H.	76,834	2,592,755	760,745	167,000	3,520,500	N	..	..	..	3,520,500	3,415,500	44.45	N	N	113
114	Binghamton, N. Y.	76,662	3,800,081	3,460,975	45,000	7,306,056	115,119	100	..	..	7,190,937	7,145,937	93.21	5,750	N	114
115	Shreveport, La.[44]	76,655	8,420,000	1,013,000	235,000	9,668,000	293,984	76	4	20	9,374,016	8,800,067	114.80	.....	.....	115
116	Pasadena, Cal.	76,086	Not Reporting													116
117	Lincoln, Neb.	75,933	1,007,893	3,654,500	1,815,000	6,477,393	342,887	10	N	90	6,134,506	4,627,357	60.89	546,074	546,074	117
118	Huntington, W. Va.	75,572	Not Reporting													118
119	Niagara Falls, N. Y.	75,460	7,290,750	5,567,710	1,934,130	14,792,590	480,485	..	..	100	14,312,105	12,858,460	170.40	507,774	N	119
120	Winston-Salem, N. C.	75,274	Not Reporting													120
121	East St. Louis, Ill.	74,347	Not Reporting													121
122	Troy, N. Y.	72,763	6,109,855	1,119,850	700,900	7,930,605	N	..	..	..	7,930,605	7,229,705	99.35	.....	.....	122
123	Quincy, Mass.	71,983	2,995,000	1,289,000	400,000	4,684,000	N	..	..	..	4,684,000	4,284,000	59.51	N	N	123
124	Springfield, Ill.[43]	71,864	112,000	518,000	3,708,000	4,338,000	88,439	..	N	100	4,249,561	630,000	8.77	356,208	N	124
125	Portland, Me.	70,810	Not Reporting													125
126	Lakewood, Ohio	70,509	1,871,275	2,816,500	141,500	4,829,275	450,371	100	N	..	4,378,904	4,237,404	60.09	56,111	56,111	126
127	Roanoke, Va.	69,206	4,207,000	2,650,000	N	6,857,000	887,436	..	..	..	5,969,564	5,969,564	86.25	N	N	127
128	Springfield, Ohio	68,743	3,941,926	1,419,000	310,000	5,670,926	253,442	93	7	..	5,417,484	5,107,484	74.29	286,000	N	128
129	Mobile, Ala.	68,202	3,049,000	990,000	1,814,000	5,853,000	1,272,959	100	..	..	4,580,041	2,766,041	40.56	4,198,500	.....	129

[40]**Duluth.** Utility bonds include gas, $482,672.

[41]**Sacramento.** Utility bonds include harbor, $130,000.

[42]**Saginaw.** Utility debt is one-third self-supporting.

[43]In the following cities utility bonds include lighting for the following amount: Lansing, $784,000; Springfield, Illinois, $145,000; Glendale, $39,500; Jamestown, $90,000; High Point, $212,000; Alameda, $44,415; Sioux Falls, $50,000; Colorado Springs, $700,000; Watertown, $688,000.

[44]**Shreveport.** General bonds include water bonds which are not self-supporting (approximately, $2,500,000); Caddo Levee Board, $100,000; and P.W.A., $432,000, which is self-supporting ($398,857 net).

		Census 1930	GROSS BONDED DEBT				SINKING FUND			NET BONDED DEBT			Total Gross Special Assessments	Total Special Assessments, General Obligation	
			General Improvement	Public Schools	Public Utilities	Total	Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	Total	Excluding Self-supporting	Per Capita Excluding S. S.			
130	New Britain, Conn.[45]	68,128	1,770,000	2,920,000	1,668,000	6,358,000	735,616	20	20	60	5,622,384	4,393,681	64.49	N	N	130
131	East Orange, N. J.	68,020	8,200,500	3,826,445	664,000	12,690,945	832,101	17	57	26	11,858,844	11,412,962	167.78	522,412	522,412	131
132	Racine, Wis.	67,542	3,048,000	1,361,000	866,000	5,275,000	203,840	100	N	N	5,071,160	4,205,160	62.26	240,102	N	132
133	Johnstown, Pa.	66,993	4,338,000	4,799,000	N	9,137,000	1,065,176	80	20	..	8,071,824	8,071,824	120.48	N	N	133
134	Cicero, Ill.	66,602	Not Reporting													134
135	Atlantic City, N. J.[46]	66,198	23,185,531	3,807,000	2,500,000	29,492,531	2,624,062	58	19	23	26,868,469	24,960,145	377.05	.....	.....	135
136	Montgomery, Ala.	66,079	Not Reporting													136
137	Newton, Mass.	65,276	4,380,969	2,009,000	549,000	6,938,969	252,154	100	..	..	6,686,815	6,137,815	94.02	N	N	137
138	Covington, Ky.	65,252	1,375,700	1,029,000	2,334,500	4,739,200	6,663	N	100	N	4,732,537	2,398,037	36.75	N	N	138
139	Pontiac, Mich.	64,928	3,607,250	3,183,975	1,361,000	8,152,225	582,086	28	72		7,570,139	6,209,139	95.63	1,609,000	1,609,000	139
140	Hammond, Ind.	64,560	1,010,770	1,693,000	1,252,000	3,955,770	86,891	31	N	69	3,868,879	2,676,912	41.46	5,198,192	N	140
141	Topeka, Kansas	64,120	953,204	2,049,000	562,400	3,564,604	405,922	N	11	89	3,158,682	2,958,501	46.14	414,787	414,787	141
142	Oak Park, Ill.	63,982	910,000	2,413,000	N	3,323,000	527,554	N	100	N	2,795,446	2,795,446	43.69	709,917	N	142
143	Brockton, Mass.	63,797	1,205,500	130,000	848,700	2,184,200	55,000	..	..	100	2,129,200	1,335,500	20.93	.....	.....	143
144	Evanston, Ill.	63,338	Not Reporting													144
145	Passaic, N. J.	62,959	Not Reporting													145
146	Terre Haute, Ind.	62,810	1,067,500	940,000	N	2,007,500	67,935	22	78	N	1,939,565	1,939,565	30.85	.....	.....	146
147	Glendale, Calif.[48]	62,736	1,343,000	4,175,000	408,580	5,926,580	53,644	N	N	100	5,872,936	5,518,000	87.95	521,247	N	147
148	Charleston, S. C.[47]	62,265	5,241,000	457,000	5,000,000	10,698,000	1,201,759	17	1	82	9,496,241	5,487,312	88.12	.....	.....	148
149	Wheeling, W. Va.	61,659	927,800	351,500	1,430,000	2,709,300	15,642	67	33	..	2,693,658	2,693,658	43.68	.....	.....	149
150	Mount Vernon, N. Y.	61,499	7,365,200	4,663,050	2,633,000	14,661,250	1,780,110	28	N	72	12,881,140	11,528,036	187.45	N	N	150
151	Davenport, Ia.	60,751	Not Reporting													151
152	Charleston, W. Va.	60,408	Not Reporting													152
153	Augusta, Ga.	60,342	1,718,000	1,062,000	291,000	3,071,000	309,500	74	N	26	2,761,500	2,550,996	42.27	N	N	153
154	Lancaster, Pa.	59,949	4,528,000	3,696,000	N	8,224,000	847,859	10	90	..	7,376,141	7,376,141	123.04	N	N	154
155	Medford, Mass.	59,714	Not Reporting													155
156	Hoboken, N. J.	59,261	Not Reporting													156
157	Chester, Pa.	59,164	Not Reporting													157
158	Union City, N. J.	58,659	6,168,773	1,890,000	N	8,058,773	612,237	94	6	N	7,446,536	7,446,536	126.94	.....	.....	158
159	Malden, Mass.	58,036	Not Reporting													159
160	Madison, Wis.	57,899	2,290,000	2,217,000	339,000	4,846,000	77,011	64	36	N	4,768,989	4,618,989	79.77	391,700	.....	160
161	Bethlehem, Pa.	57,892	2,268,900	3,225,000	1,014,000	6,507,900	1,263,288	41	49	10	5,244,612	4,363,112	75.36	.....	.....	161
162	Beaumont, Texas[48]	57,732	4,461,500	2,109,138	2,174,000	8,744,638	399,263	37	24	39	8,345,375	7,787,875	134.89	N	N	162
163	San Jose, Cal.	57,651	1,087,675	1,541,000	N	2,628,675	N				2,628,675	2,628,675	45.59	20,400	.....	163
164	Springfield, Mo.	57,527	1,403,000	1,562,500	N	2,965,500	204,426	68	32	N	2,761,074	2,761.074	47.99	.....	.....	164
165	Decatur, Ill.	57,510	781,500	761,750	243,000	1,786,250	27,262	100	..	..	1.758,988	1,515,988	26.36	1,358,684	N	165
166	Irvington, N. J.	56,733	4,654,675	3,807,150	N	8,461,825	204,968	..	..	..	8,256,857	8,256,857	145.53	1,237,933	327,000	166
167	Holyoke, Mass.[49]	56,537	876,500	510,000	1,124,000	2,510,500	N	..	..	..	2,510,500	1,386.500	24.52	N	N	167
168	Hamtramck, Mich.	56,268	3,373,533	3,059,500	491.000	6,924,033	655,075	40	60	..	6,268,958	6,268,958	111.43	N	N	168
169	Cedar Rapids, Ia.[50]	56,097	1,503,400	1,713,000	1,195,000	4,411.400	293,825	N	100	N	4,117,575	2,922,575	52.09	N	N	169
170	York, Pa.	55,254	1.020,500	1,742,000	N	2,762,500	318,459	66	34	..	2,444,041	2,444,041	44.23	27,400	N	170

[45]**New Britain.** Utility bonds include subways for electric wires, $403,000.

[46]**Atlantic City.** Outstanding debt of Atlantic City is being refunded. There have been no bond issues or retirements since January 1, 1936.

[47]**Charleston, S. C.** Utility debt includes port, $2,500,000.

[48]**Beaumont.** Utility bonds include wharf and dock, $1,498,000, and abattoir, $5,000,000.

[49]**Holyoke.** Utility bonds include lighting, $649,000, and Holyoke and Westfield R. R., $125,000.

[50]**Cedar Rapids.** Utility bonds include sewer, $510,000.

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171	Jackson, Mich.[51]	55,187	1,643,729	1,774,924	1,631,500	5,050,153	N	..	..	..	5,050,153	3,418,653	61.94	277,000	277,000	171
172	Kalamazoo, Mich.	54,786	59,000	1,761,000	N	1,820,000	N	..	..	..	1,820,000	1,820,000	33.22	110,000	110,000	172
173	East Chicago, Ind.	54,784	Not Reporting													173
174	McKeesport, Pa.	54,632	1,712,000	1,348,000	184,000	3,244,000	277,904	49	51	..	2,966,096	2,782,096	50.92	484,115	N	174
175	New Rochelle, N. Y.	54,000	8,748,700	5,759,676	N	14,508,376	193,893	100	..	N	14,314,483	14,314,483	265.08	.....	.....	175
176	Macon, Ga.	53,829	805,000	1,041,000	190,000	2,036,000	N	..	..	..	2,036,000	1,846,000	34.29	N	N	176
177	Greensboro, N. C.	53,569	11,175,706	858,295	2,737,999	14,772,000	413,372	83	..	17	14,358,628	11,692,261	218.26	3,608,008	3,608,008	177
178	Austin, Texas[52]	53,120	3,214,000	1,359,000	1,978,000	6,551,000	97,481	29	..	71	6,453,519	4,544,828	85.71	N	N	178
179	Highland Park, Mich.	52,959	1,904,000	3,155,000	424,686	5,483,686	2,570,038	60	29	11	2,913,648	2,781,638	52.52	35,700	35,700	179
180	Galveston, Texas	52,938	5,479,500	1,622,000	580,500	7,682,000	666,569	76	16	8	7,015,431	5,654,397	106.81	N	N	180
181	Waco, Texas	52,848	2,760,750	1,529,700	2,069,000	6,359,450	1,247,392	57	24	19	5,112,058	3,278,657	62.03	N	N	181
182	Fresno, Calif.	52,513	Not Reporting													182
183	Hamilton, Ohio[53]	52,176	1,231,462	1,311,000	1,217,510	3,759,972	80,301	70	30	..	3,679,671	2,462,161	47.18	246,591	.....	183
184	Durham, N. C.	52,037	4,509,691	1,509,217	3,652,000	9,670,908	158,400	100	N	..	9,512,508	5,860,508	112.62	2,068,435	1,325,343	184
185	Columbia, S. C.	51,581	Not Reporting													185
186	Cleveland Heights, O.	50,945	1,159,199	5,767,500	N	6,926,699	1,071,571	57	43	N	5,855,128	5,855,128	114.93	1,068,417	.....	186
187	Port Arthur, Texas[54]	50,902	3,895,100	1,949,000	1,010,000	6,854,100	469,698	47	42	11	6,384,402	3,888,225	76.39	N	N	187
188	Dearborn, Mich.	50,358	10,391,000	6,612,060	2,286,000	19,289,060	4,340,358	80	4	16	14,948,702	13,350,469	265.11	646,000	646,000	188
189	Kenosha, Wis.	50,262	435,000	2,544,000	55,000	3,034,000	N	..	..	..	3,034,000	2,979,000	59.26	393,848	N	189
190	Asheville, N. C.	50,193	Not Reporting													190
191	Pueblo, Colo.	50,096	589,000	1,379,000	1,130,000	3,098,000	28,425	50	50	..	3,069,575	1,939,575	38.71	919,000	.....	191
	Group V															
	Population 30,000 to 50,000															
192	Pittsfield, Mass.	49,677	680,000	796,000	296,000	1,772,000	N	..	..	..	1,772,000	1,476,000	29.71	.....	.....	192
193	Woonsocket, R. I.	49,376	5,317,000	1,060,000	815,000	7,192,000	1,257,892	91	9	..	5,934,108	5,119,108	103.67	N	N	193
194	Haverhill, Mass.	48,710	1,071,000	110,000	125,000	1,306,000	22,000	100	..	..	1,284,000	1,159,000	23.79	.....	.....	194
195	New Castle, Pa.	48,674	986,000	2,165,000	N	3,151,000	201,284	97	3	N	2,949,716	2,949,716	60.60	121,453	121,453	195
196	Everett, Mass.	48,424	834,400	885,000	89,000	1,808,400	81,239	100	..	..	1,727,161	1,638,161	33.82	.....	.....	196
197	Jackson, Miss.	48,282	4,205,380	540,000	743,400	5,488,780	15,101	100	..	..	5,473,679	4,730,279	97.97	382,000	N	197
198	Phoenix, Ariz.	48,118	Not Reporting													198
199	Stockton, Cal.	47,963	5,522,875	670,000	N	6,192,875	N	..	..	..	6,192,875	6,192,875	129.11	80,324	.....	199
200	Brookline, Mass.	47,490	508,000	826,000	308,000	1,642,000	N	..	..	..	1,642,000	1,334,000	28.09	.....	.....	200
201	Elmira, N. Y.	47,397	1,990,900	630,000	540,000	3,160,900	N	..	..	..	3,160,900	2,620,900	55.29	N	N	201
202	Bay City, Mich.	47,355	375,000	688,600	1,489,000	2,552,600	358,681	69	13	18	2,193,919	768,709	16.23	36,500	36,500	202
203	Berwyn, Ill.	47,027	Not Reporting													203
204	Clifton, N. J.	46,875	5,654,300	2,362,000	4,557,000	12,573,300	235,034	81	19	..	12,338,266	7,781,266	166.00	.....	.....	204
205	Aurora, Ill.	46,589	Not Reporting													205
206	Muncie, Ind.	46,548	Not Reporting													206
207	Stamford, Conn.	46,346	5,217,000	2,495,500	N	7,712,500	812,839	67	33	..	6,899,661	6,899,661	148.87	N	N	207
208	Waterloo, Ia.	46,191	Not Reporting													208
209	Chelsea, Mass.	45,816	1,652,600	442,500	30,000	2,125,100	362,795	100	N	N	1,762,305	1,732,305	37.81	N	N	209
210	Lexington, Ky.	45,736	2,216,500	900,000*	N	3,116,500	400,314	100	N	N	2,716,186	2,716,186	59.38	68,761	N	210
211	Williamsport, Pa.	45,729	867,200	1,227,900	N	2,095,100	436,418	45	55	..	1,658,682	1,658,682	36.27	.....	.....	211
212	Portsmouth, Va.	45,704	5,333,000	704,000	2,975,000	9,012,000	2,328,129	35	..	65	6,683,871	5,227,486	114.37	N	N	212
213	Jamestown, N. Y.[43]	45,155	972,502	2,213,000	515,000	3,700,502	87,357	..	..	100	3,613,145	3,185,502	70.54	3,920,144	3,920,144	213

[51]**Jackson.** Utility bonds include sewage disposal, $628,000.

[52]**Austin.** Utility bonds include sewer, $598,000; and water, electric, and sewer revenue bonds, $771,000.

[53]**Hamilton.** Utility bonds include lighting $366,500, and gas, $118,010.

[54]**Port Arthur.** Utility bonds include sewer, $216,500. General debt includes Seawall bonds, $1,669,000, paid from remission of eight-ninths of state ad valorem taxes.

		Census 1930	GROSS BONDED DEBT General Improvement	Public Schools	Public Utilities	Total	SINKING FUND Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	NET BONDED DEBT Total	Excluding Self-supporting	Per Capita Excluding S. S.	Total Gross Special Assessments	Total Special Assessments, General Obligation	
214	Lorain, Ohio	44,512	1,049,007	786,000	201,000	2,036,007	12,642	24	N	76	2,023,365	1,832,007	41.15	446,694	N	214
215	Chicopee, Mass.	43,930	763,000	97,500	328,500	1,189,000	N	..	..	..	1,189,000	860,500	19.58	N	N	215
216	Wichita Falls, Texas	43,690	3,389,500	2,055,000	N	5,444,500	444,212	..	..	..	5,000,288	5,000,288	114.44	.....	.....	216
217	Battle Creek, Mich.[65]	43,573	1,053,000	1,094,500	399,000	2,546,500	N	..	..	..	2,546,500	2,147,500	49.28	.....	.....	217
218	Perth Amboy, N. J.	43,516	Not Reporting													218
219	Salem, Mass.	43,353	805,500	305,500	419,500	1,530,500	N	..	..	..	1,530,500	1,111,000	25.62	N	N	219
220	Amarillo, Texas	43,132	3,363,687	1,872,500	2,186,239	7,422,426	505,347	56	42	2	6,917,079	4,742,905	109.96	N	N	220
221	Columbus, Ga.	43,131	1,870,900	668,200	120,000	2,659,100	75,790	100	N	N	2,583,310	2,463,310	57.11	35,700	35,700	221
222	Joliet, Ill.	42,993	879,000	2,076,000	90,000	3,045,000	N	..	..	..	3,045,000	2,955,000	68.73	905,379	.....	222
223	Cranston, R. I.	42,911	1,355,500	2,533,000	N	3,888,500	352,357	..	..	..	3,536,143	3,536,143	82.40	.....	.....	223
224	Portsmouth, Ohio	42,560	Not Reporting													224
225	Lima, Ohio	42,287	3,379,600	561,000	552,000	4,492,600	6,000	33	N	67	4,486,600	3,938,600	93.13	36,165	.....	225
226	Council Bluffs, Ia.	42,048	1,752,000	585,000	100,000	2,437,000	108,943	82	N	18	2,328,057	2,248,057	53.46	104,539	N	226
227	Montclair, N. J.	42,017	Not Reporting													227
228	Dubuque, Ia.[56]	41,679	1,190,063	735,000	502,000	2,427,063	422,038	7	40	53	2,005,025	1,962,486	47.08	268,800	.....	228
229	Muskegon, Mich.[57]	41,390	2,082,000	2,396,430	953,000	5,431,430	282,500	39	N	61	5,148,930	4,366,990	105.50	370,250	219,500	229
230	Warren, Ohio	41,062	1,322,900	1,413,300	450,000	3,186,200	351,690	7	12	81	2,834,510	2,670,510	65.04	257,100	257,100	230
231	Kearny, N. J.	40,716	Not Reporting													231
232	Fitchburg, Mass.	40,692	2,173,900	200,000*	390,500	2,764,400	N	..	..	..	2,764,400	2,373,900	58.33	N	N	232
233	Lynchburg, Va.	40,661	2,165,485	938,374	3,239,458	6,343,317	1,550,192	48	..	52	4,793,125	2,353,667	57.88	N	N	233
234	St. Petersburg, Fla.[58]	40,425	6,829,600	2,501,882	4,321,000	13,652,482	1,950,461	98	2	..	11,702,021	11,702,021	289.47	10,169	10,169	234
235	Poughkeepsie, N. Y.	40,288	2,698,000	1,323,150	410,000	4,431,150	19,532	66	34	..	4,411,618	4,001,618	99.32	591,942	454,834	235
236	Ogden, Utah	40,272	1,635,000	1,235,500	1,543,500	4,414,000	177,861	46	15	39	4,236,139	2,760,950	68.56	96,722	N	236
237	Oskosh, Wis.[59]	40,108	663,000	573,000	503,000	1,739,000	N	..	..	..	1,739,000	1,236,000	30.81	N	N	237
238	Anderson, Ind.	39,804	400,201	658,500	150,000	1,208,701	N	..	..	..	1,208,701	1,058,701	26.60	194,564	N	238
239	East Cleveland, Ohio	39,667	954,000	2,042,000	N	2,996,000	533,369	55	45	N	2,462,631	2,462,631	62.08	218,220	218,220	239
240	LaCrosse, Wis.	39,614	556,000	341,000	42,000	939,000	3,500	100	..	..	935,500	893,500	22.55	85,400	.....	240
241	Butte, Mont.	39,532	Not Reporting													241
242	Sheboygan, Wis.	39,251	825,000	628,000	174,000	1,627,000	N	..	..	..	1,627,000	1,453,000	37.01	31,099	N	242
243	Waltham, Mass.	39,247	Not Reporting													243
244	Quincy, Ill.	39,241	N	913,000	75,000	988,000	40,927	N	100	N	947,073	872,073	22.22	363,355	N	244
245	Meriden, Conn.	38,481	699,000	1,041,000	180,000	1,920,000	70,404	100	..	..	1,849,596	1,840,000	47.81	.....	.....	245
246	Bloomfield, N. J.	38,077	2,303,000	2,345,500	1,196,500	5,845,000	38,398	58	N	42	5,806,602	4,626,102	121.49	243,000	45,603	246
247	Rock Island, Ill.[60]	37,953	N	1,091,000	264,000	1,355,000	39,847	N	N	100	1,315,153	1,091,000	28.74	245,298	.....	247
248	Cumberland, Md.	37,747	Not Reporting													248
249	San Bernardino, Cal.	37,481	657,167	1,588,000	232,925	2,478,092	200,602	15	79	6	2,277,490	2,056,020	54.85	N	N	249
250	Green Bay, Wis.	37,415	386,100	920,500	824,000	2,130,600	24,000	N	N	100	2,106,600	1,306,600	34.92	.....	.....	250
251	Raleigh, N. C.	37,379	Not Reporting													251
252	Taunton, Mass.	37,355	Not Reporting													252
253	Santa Monica, Cal.	37,146	1,976,500	1,910,000	1,118,000	5,004,500	278,227	40	37	23	4,726,273	3,671,158	98.83	538,668	N	253
254	West New York, N. J.	37,107	Not Reporting													254
255	Hazleton, Pa.	36,765	1,863,000	1,323,000	N	3,186,000	68,396	47	53	N	3,117,604	3,117,604	84.80	N	N	255
256	Danville, Ill.	36,765	Not Reporting													256
257	High Point, N. C.[43]	36,745	3,206,782	1,901,000	2,521,000	7,628,782	554,088	..	..	..	7,074,694	4,553,694	123.92	4,202,000	1,492,708	257

[65]**Battle Creek.** Utility debt is sewer.

[56]**Dubuque.** Utility debt includes dock, $270,000.

[57]**Muskegon.** Utility debt includes sewage disposal, $384,000.

[58]**St. Petersburg.** Utility debt includes power plant, $535,000; street railway, $1,162,000; and gas, $1,038,000.

[59]**Oshkosh.** Utility debt is sanitary sewer and treatment.

[60]**Rock Island.** Utility debt is River and Rail Terminal.

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258	Auburn, N. Y.	36,652	1,930,945	613,365	279,000	2,823,310	16,513	..	..	100	2,806,797	2,544,310	69.41	114,208	114,208	258
259	Zanesville, Ohio	36,440	361,121	551,725	190,000	1,102,846	190,054	14	86	..	912,792	722,792	19.83	67,883	N	259
260	Superior, Wis.	36,113	795,465	1,363,100	N	2,158,565	N	..	..	..	2,158,565	2,158,565	59.77	.....	.....	260
261	Arlington, Mass.	36,094	218,500	695,000	108,000	1,021,500	54,499	100	..	..	967,001	859,001	23.79	.....	.....	261
262	Norwalk, Conn.	36,019	2,306,000	1,423,000	1,125,000	4,854,000	398,991	69	..	31	4,455,009	3,452,724	95.85	N	N	262
263	Elgin, Ill.	35,929	771,000	179,000	173,000	1,123,000	23,348	19	N	81	1,099,652	950,000	26.44	481,907	N	263
264	Norristown, Pa.	35,853	955,000	1,100,000	N	2,055,000	348,902	31	69	..	1,706,098	1,706,098	47.58	.....	.....	264
265	White Plains, N. Y.	35,830	6,408,306	6,893,000	1,661,000	14,962,306	904,767	61	25	14	14,057,539	12,521,658	349.47	.....	.....	265
266	Revere, Mass.	35,680	678,000	678,500	160,000	1,516,500	N	..	..	..	1,516,500	1,356,500	38.01	.....	.....	266
267	Steubenville, Ohio	35,422	446,610	503,750	59,000	1,009,360	33,938	100	..	..	975,422	916,422	25.87	130,950	.....	267
268	Orange, N. J.	35,399	Not Reporting													268
269	Alameda, Cal.[43]	35,033	163,447	1,174,078	1,285,975	2,623,500	N	..	..	..	2,623,500	1,382,000	39.44	91,088	91,088	269
270	Lewiston, Me.	34,948	596,500	440,000	325,500	1,362,000	N	..	..	..	1,362,000	1,037,500	29.68	.....	.....	270
271	Watertown, Mass.	34,913	466,000	818,000	7,000	1,291,000	N	..	..	..	1,291,000	1,291,000	36.98	N	N	271
272	Amsterdam, N. Y.	34,817	842,900	1,877,750	70,000	2,790,650	52,758	N	38	62	2,737,892	2,700,611	77.57	.....	.....	272
273	West Allis, Wis.	34,671	992,000	969,000	276,000	2,237,000	N	..	..	..	2,237,000	2,237,000	64.52	680,838	N	273
274	New Brunswick, N. J.[61]	34,555	3,185,500	1,148,000	1,337,000	5,670,000	N	..	..	..	5,670,000	4,548,000	131.61	73,000	73,000	274
275	Easton, Pa.	34,468	Not Reporting													275
276	Plainfield, N. J.	34,422	3,003,000	1,670,000	N	4,673,000	155,919	50	50	..	4,517,081	4,517,081	131.22	136,000	N	276
277	Newport News, Va.	34,417	2,530,500	1,150,500	3,061,000	6,742,000	1,017,132	100	..	N	5,724,868	2,663,868	77.39	.....	.....	277
278	Santa Barbara, Cal.	33,613	1,231,225	1,250,000*	778,250	3,259,475	105,206	69	..	31	3,154,269	2,408,150	71.64	N	N	278
279	Paducah, Ky.	33,541	1,483,000	150,500	2,246,000	3,879,500	98,457	50	21	29	3,781,043	1,563,311	46.60	.....	.....	279
280	Mansfield, Ohio	33,525	713,550	688,110	78,000	1,479,660	65,089	100	N	..	1,414,571	1,336,571	39.86	39,800	.....	280
281	Joplin, Mo.	33,454	337,000	900,000	N	1,237,000	50,805	100	N	N	1,186,195	1,186,195	35.46	N	N	281
282	Waukegan, Ill.	33,499	Not Reporting													282
283	Norwood, Ohio	33,411	623,001	950,000	130,502	1,703,503	211,685	100	N	N	1,491,818	1,361,316	40.74	14,444	N	283
284	Sioux Falls, S. Dak.[43]	33,362	906,000	1,800,000	150,000	2,856,000	1,200,594	8	88	4	1,655,406	1,548,552	46.41	.....	.....	284
285	Colorado Springs, Colo.[43]	33,237	580,000	600,000	2,307,000	3,487,000	814,825	N	N	100	2,672,175	1,180,000	35.50	75,000	N	285
286	Elkhart, Ind.	32,949	71,000	625,000	1,153,000	1,849,000	116,069	5	..	95	1,732,931	690,379	20.95	209,950	N	286
287	Kokomo, Ind.	32,843	219,000	425,000	N	644,000	N	..	..	..	644,000	644,000	19.60	.....	.....	287
288	Laredo, Texas	32,618	800,000	646,000	N	1,446,000	179,555	67	33	N	1,266,445	1,266,445	38.82	11,861	11,861	288
289	Tucson, Ariz.	32,506	1,532,000	1,239,000	889,000	3,660,000	913,820	56	11	33	2,746,180	2,155,867	66.32	340,894	.....	289
290	Richmond, Ind.	32,493	504,500	380,000	N	884,500	6,320	100	N	..	878,180	878,180	27.02	.....	.....	290
291	Rome, N. Y.[62]	32,338	888,700	656,000	300,000	1,844,700	N	..	..	..	1,844,700	1,544,700	47.76	6,000	6,000	291
292	Wilmington, N. C.	32,270	Not Reporting													292
293	Moline, Ill.	32,236	304,000	443,000	336,000	1,083,000	N	..	..	..	1,083,000	665,000	20.62	354,770	124,900	293
294	Watertown, N. Y.[43]	32,205	1,999,573	1,118,500	688,000	3,806,073	239,680	77	23	..	3,566,393	2,878,393	89.37	38,605	N	294
295	Muskogee, Okla.[63]	32,026	1,345,093	415,637	212,000	1,972,730	829,002	86	..	14	1,143,728	1,049,103	32.76	430,230	N	295
296	Meridian, Miss.	31,954	1,696,054	912,211	370,000	2,978,265	3,252	87	13	..	2,975,013	2,605,013	81.52	149,905	.....	296
297	Pensacola, Fla.	31,579	2,665,355	456,000	105,000	3,226,355	417,644	89	9	2	2,808,711	2,712,834	85.90	45,500	45,500	297
298	Nashua, N. H.	31,463	1,013,000	518,000	N	1,531,000	57,940	..	..	..	1,473,060	1,473,060	46.81	.....	.....	298
299	Fort Smith, Ark.	31,429	325,000	938,500	1,250,000	2,513,500	122,813	20	N	80	2,390,687	1,238,809	39.41	681,000	N	299
300	Port Huron, Mich.	31,361	1,147,437	410,000	112,000	1,669,437	61,475	100	N	N	1,607,962	1,495,962	47.70	78,896	78,896	300
301	Newburgh, N. Y.	31,275	1,041,537	1,802,408	593,731	3,437,676	17,026	..	100	..	3,420,650	2,826,919	90.38	112,668	97,000	301
302	Marion, Ohio	31,084	Not Reporting													302
303	Bloomington, Ill.	30,930	Not Reporting													303

[61] **New Brunswick.** Utility debt includes dock, $215,000.

[62] **Rome.** Utility debt includes sewage disposal, $210,000.

[63] **Muskogee.** School debt is net debt.

		Census 1930	GROSS BONDED DEBT General Improvement	Public Schools	Public Utilities	Total	SINKING FUND Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	NET BONDED DEBT Total	Excluding Self-supporting	Per Capita Excluding S. S.	Total Gross Special Assessments	Total Special Assessments, General Obligation	
304	Hagerstown, Md.[64]	30,861	275,000	1,289,000	4,782,000	6,346,000	N	..	..	..	6,346,000	6,019,000	195.04	N	N	304
305	Bellingham, Wash.[65]	30,823	439,000	500,000	434,000	1,373,000	88,683	77	N	23	1,284,317	870,859	28.25	.....	.....	305
306	Baton Rouge, La.	30,729	Not Reporting													306
307	Newark, Ohio	30,596	679,700	679,000	228,000	1,586,700	67,271	..	..	..	1,519,429	1,291,429	42.20	151,700	151,700	307
308	Everett, Wash.	30,567	950,000	334,000	2,265,000	3,549,000	1,009,361	3	3	94	2,539,639	1,220,440	39.93	201,754	.....	308
309	Santa Ana, Cal.	30,322	510,050	1,993,000	134,730	2,637,780	139,387	20	69	11	2,498,393	2,378,511	78.44	882,901	N	309
310	Alton, Ill.	30,151	Not Reporting													310
	Canadian Cities															
1	Montreal, Que.[66]	818,577	173,912,009	34,730,000	55,270,633	263,912,642	43,392,814	86	14	..	220,519,828	165,249,195	201.87	44,085,036	.....	1
2	Toronto, Ont.	626,674	Not Reporting													2
3	Vancouver, B. C.	246,593	42,386,242	10,370,176	6,005,258	58,761,676	19,384,614	74	16	10	39,377,062	35,235,832	142.89	7,739,650	1,387,318	3
4	Winnipeg, Man.[67]	218,785	11,885,742	8,250,000	37,603,054	57,738,796	27,384,632	23	14	63	30,354,164	9,926,483	45.37	7,038,844	.....	4
5	Hamilton, Ont.[68]	153,507	16,108,273	4,129,785	6,762,789	27,000,847	613,986	2	..	98	26,386,861	20,226,790	131.76	2,743,954	1,429,526	5
6	Quebec, Que.	130,594	Not Reporting													6
7	Ottawa, Ont.[69]	126,872	11,516,984	3,647,097	6,393,489	21,557,570	5,105,087	30	22	48	16,452,483	12,503,872	98.56	2,513,919	1,135,837	7
8	Calgary, Alta.[70]	83,761	8,737,047	2,341,700	10,958,447	22,037,194	10,167,024	36	N	64	11,870,170	7,467,089	89.14	2,790,295	1,024,847	8
9	Edmonton, Alta.[71]	79,197	22,718,581	3,818,685	7,225,104	33,762,370	11,625,410	73	7	20	22,136,960	17,280,084	218.19	2,930,198	N	9
10	London, Ont.[72]	71,148	5,140,708	2,494,480	3,823,595	11,458,783	2,599,927	..	..	..	8,858,856	7,106,052	99.88	877,586	232,250	10
11	Windsor, Ont.	63,108	Not Reporting													11
12	Verdun, Que.[73]	60,745	8,044,700	1,700,000*	100,000	9,844,700	1,912,764	91	8*	1	7,734,487	7,840,250	129.06	6,385,936	1,747,200	12
13	Halifax, N. S.	59,275	Not Reporting													13
14	Regina, Sask.[74]	53,209	6,509,092	2,510,746	7,093,263	16,113,101	7,449,358	44	9	47	8,663,743	5,049,458	94.89	3,855,528	1,447,657	14
15	St. John, N. B.	47,514	Not Reporting													15
16	Saskatoon, Sask.[75]	43,291	6,467,546	2,841,770	4,484,879	13,794,195	5,319,768	40	12	48	8,474,427	6,567,720	151.71	2,661,731	922,111	16
17	Victoria, B. C.	39,082	11,470,664	837,700	3,704,239	16,012,603	4,339,648	61	18	21	11,672,955	8,905,380	227.86	.....	.....	17
18	Three Rivers, Que.	34,450	Not Reporting													18

[64]**Hagerstown.** Utility debt includes light and power, $327,000 and sewer, $2,030,000. Only light and power is self-supporting.

[65]**Bellingham.** Utility debt includes port, $204,000.

[66]**Montreal.** Utility debt includes underground conduits, $6,150,000.

[67]**Winnipeg.** Utility debt includes hydro-electric, $25,502,000; steam heating, $1,500,000; housing, $2,150,000; and others, $3,218,855.

[68]**Hamilton.** Utility debt includes hydro-electric, $2,408,756.

[69]**Ottawa.** Utility debt includes hydro-electric, $651,559.

[70]**Calgary.** General bonds include hospitals, $295,095. Utility bonds include electric, $2,927,872, and street railway, $2,855,644.

[71]**Edmonton.** Utility bonds include electric, $1,837,836; street railway, $964,041; and telephone, $1,078,821.

[72]**London.** Utility bonds include electric, $860,857; radial railway, $1,815,874 (not self-supporting); and housing, $254,917 (not self-supporting).

[73]**Verdun.** Utility bonds are housing.

[74]**Regina.** Utility bonds include electric, $2,564,546; street railway, $2,008,018; and air harbor, $100,000.

[75]**Saskatoon.** Utility bonds include electric, $1,923,147; and street railway, $1,314,536.

RECENT NEWS REVIEWED

NOTES AND EVENTS
Edited by H. M. Olmsted

Home Rule Gains in New York.—The New York legislature of 1937 has just granted a significant extension of home rule to cities. Hitherto the voters of New York cities have been powerless to amend their city charters without getting the help of the city legislative body or the state legislature, the chief exception being the right of the smaller cities (Syracuse and under) to adopt one of seven specific forms of government under the optional city government law by petition and popular vote. New York City gained additional powers of amendment by petition and popular vote under its new city charter adopted last fall. Now, under chapter 479 of this year's laws, any city may amend its charter by petition and popular vote and by this means may adopt any charter provisions which lie within the broad scope of charter-making powers under the city home rule amendment to the constitution and the city home rule law.

The bill was introduced as a result of the state conference on legislation held at Union College, Schenectady, last July under the auspices of the New York State Committee of the National Municipal League with the coöperation of the Schenectady Bureau of Municipal Research and the New York Citizens Union. In its final form the bill also had the backing of the New York State Conference of Mayors and Other Officials.

It was introduced by Assemblyman Harold Armstrong and Senator Edwin E. Miller of Schenectady and Senator Thomas C. Desmond of Newburgh. It passed the assembly unanimously and the senate with only six dissenting votes.

The bill provides that 10 per cent of the number who voted last for governor within a city may place a charter amendment before the city's legislative body. The latter may then take such action as it sees fit, but if it does not satisfy the petitioners a supplemental 5 per cent petition with new signatures, filed between two and four months after the original petition, can force the original amendment onto the ballot at a general election. This procedure gives a city council a chance to correct errors in draftsmanship or suggest more constructive solutions to municipal problems without giving it power to block finally any charter change for which there is a substantial demand.

This new law gives New York home rule machinery for cities comparable to that of Ohio, Michigan, California, and other home rule states and opens the way for such modernization of city government as Cincinnati, Toledo, and other well governed cities have recently enjoyed.

G. H. H., Jr.

Council-Manager Plan Developments.—Greenbelt, Maryland, is the first of the federal resettlement communities to go under a council-manager charter. The charter of the Maryland settlement, which is near Washington, D. C., has been approved by the state legislature, bringing the score of new council-manager cities since January 1st to five, the International City Managers' Association reports. The present total is 460 municipalities and 7 counties.

The other four communities are Middlebury, Vermont, population 2,003; Moultrie, Georgia, 6,789; Alameda, California, 35,033; and Orange, Virginia, 1,078. Alameda, which

adopted the manager plan originally in 1917, seventeen years later placed under separate boards or commissions the control over certain departments previously under the manager, hence lost its council-manager standing. In April 1937 Alameda returned to the manager plan by adopting a new charter. In addition, Maine's legislature since January 1st enacted council-manager charters for the towns of Bridgton, Dover-Foxcroft, Fort Kent, Milo, Norway, and Old Orchard Beach. If these charters are approved by the annual town meetings, the number of council-manager governments in Maine will be twenty-three.

Legislation enabling cities to adopt manager charters is under consideration in Florida, Massachusetts, Missouri, and Pennsylvania. Governor George H. Earle of Pennsylvania and the legislature have appointed a fifteen-member commission to draft a new charter for Philadelphia under its proposed city and county consolidation amendment (see page 316). Movements for the plan are also under way in Ogden, Utah; Leominster and Springfield, Massachusetts; Marion, Virginia; Ashland and Columbus, Ohio; Rochester, New Hampshire; Edna, Texas; Clinton and Fort Dodge, Iowa; Columbia, Tennessee; Tulsa, Oklahoma; Plainfield, New Jersey; and Raleigh, North Carolina. The smallest of these cities is Edna, Texas, population 1,735; the largest Columbus, Ohio, population 290,564.

Morristown, New Jersey, population 15,197, on May 11th voted down for the second time in three years a proposal for council-manager government, to replace the present aldermanic form.

*

Montreal Charter Revision.—The Montreal Citizens' Committee announces that the Quebec provincial government has agreed to a commission of inquiry to rewrite in its simplest form the Montreal city charter and to report upon a new form of administration for that city.

*

Merit System Adoptions in 1937 May Set Record.—An all-time record for the adoption of civil service and merit system provisions for state and local governments may result in 1937 if the current rate of progress continues, according to reports received by the Civil Service Assembly of the United States and Canada. Among the states, Maine and Connecticut have just acted.

Maine has provided for an improved system as to governmental employees by creating a state personnel board and a director of personnel for the classified service. Hereafter, appointments to and promotions in that service, affecting some three thousand employees, are to be made from eligible lists prepared on the basis of examinations. The new law provides also for training employees after they are in service.

In Connecticut Governor Wilbur L. Cross has just signed a bill putting nearly all the state's seven thousand employees under the merit system. The measure will go into effect immediately. This is the second time that Connecticut has gone under civil service regulation. Its previous act, in force for eight years, was repealed in 1921 by a vote of the legislature.

The addition of Maine and Connecticut brings the list of civil service states up to a total of thirteen, and the list for this year up to four, Tennessee and Arkansas having taken similar action earlier.

At the county level, employees of Montgomery County, Maryland, which contains several suburbs of the nation's capital, will in the future be subject to rules and regulations of the employment commissioner of the state. This is the first county in the state to take advantage of the personnel services available to local jurisdictions since passage of a merit system law in 1920. Little effort has been made, in general, to extend to the more than three hundred thousand county employees in the country any of the modern methods of personnel administration. Only eight counties have their own machinery for personnel control.

South Dakota has authorized the establishment of civil service in all cities in all departments of government. Kansas and North Dakota have legislated similar measures for their larger cities. West Virginia cities of five thousand and over, and all Washington cities, have received legislative permission to put their police departments under civil service. Monroe, Michigan, voted in spring elections to do likewise. Knoxville, Tennessee, Wheeling, West Virginia, and Tucson, Arizona, are other cities that will soon have civil service for most of their employees. Los Angeles has become the first major city in the United States to place important department heads under civil service, including the city engineer, health officer,

police and fire chiefs, and general managers of several departments.

Centralized Purchasing Spreads.—Centralized purchasing of supplies for governmental units, "the sentry at the tax exit gate," is reported as in effect, in one form or another, at the beginning of the current year, in 250 American cities, 50 counties, 36 states, and 22 Canadian cities and provinces. The principle involved has the approval of virtually every student of public finance; more whole-hearted approval, perhaps, than is given to any other of the so-called economy practices born of the depression.

Leagues of municipalities in several states, notably Iowa, Kentucky, Michigan, Nebraska, North Carolina, Oregon, South Dakota, Texas, Virginia, and Wisconsin, have aided the trend toward centralized purchasing.

The Utah State Municipal League is considering a plan whereby all municipalities would do their buying through a central state agency. It is believed that this plan, if carried out, will be the first experiment of the kind in the United States.

Jury Service for Women Extended.—With the enaction of laws by two more states —Connecticut and New York—permitting women to serve on juries, twenty-three states, the District of Columbia, and Alaska now grant women the right to jury service. A proposal for such action has also been approved by the Illinois house of representatives, and bills are pending in Florida and Massachusetts, according to the Council of State Governments.

Connecticut has aligned itself with the eight states that make jury service compulsory with women as well as with men. The others are California, Indiana, Iowa, Maine, Michigan, New Jersey, Ohio, and Pennsylvania.

The New York act just approved by Governor Herbert H. Lehman gives women the privilege of declining a jury call if they wish. (In New York a mandatory bill had previously been defeated by the senate.) The Illinois bill has many exemptions, added by its opponents, so that all "mothers, girls under twenty-five years of age, school teachers, expectant mothers, and those who have the care of children and of sick or infirm," would be excluded.

States that permit women to make their choice between serving or not serving are Arkansas, Delaware, Kansas, Kentucky, Louisiana, Minnesota, Nevada, New York, North Dakota, Oregon, Rhode Island, Utah, Washington, Wisconsin, the District of Columbia, and Alaska. Statutes in North Carolina and Vermont are not explicit and have not yet had judicial interpretation. North Carolina refers to jury eligibles as "persons" and Vermont employs the term "legal voters."

The first state to enable jury service on the part of women was Michigan, which made the pioneering step in 1915. Maine and Utah were among other states early to grant the privilege. Colorado, one of the first states to grant women suffrage, only last November voted down a referred proposal on woman jury service. Before the current action on the subject, it has been ten years since any state swung over to authorizing women jurors.

Housing Authorities Organize.—Representatives of a number of local and state housing authorities met in Washington on April 30th and organized the American Federation of Housing Authorities. The purpose was declared to be to furnish a common means through which state and local public housing agencies may give effective expression to their views and purposes—supplementing but not duplicating the work of the National Association of Housing Officials. Langdon Post, chairman of the New York City Housing Authority, was elected president.

University of Southern California Holds Governmental Institute.—The ninth annual institute of government of the University of Southern California will meet June 14th to 18th at Los Angeles under the direction of Dr. W. Ballentine Henley, acting dean of the university's school of government. Lectures and round-table discussions of a wide variety of subjects, mostly of a very practical nature, will take place.

American Library Association Meeting.—The fifty-ninth annual conference of the American Library Association takes place at the Waldorf-Astoria Hotel, New York City, June 21st to 26th, in conjunction with meetings of the National Association of State Libraries and other national library associa-

tions. The combined membership is over 17,000.

*

Archivists Form National Association.—The newly organized Society of American Archivists will hold its first annual meeting in Washington, D. C., June 18th and 19th. Among the primary objectives of the society are the proper preservation of official records and efficacious means of making them available to public officials and to research investigators. The officers are A. R. Newsome, of the University of North Carolina, president; Margaret C. Norton, of the Illinois State Archives, vice-president; Philip C. Brooks of the National Archives, secretary; and Julian P. Boyd, of the Historical Society of Pennsylvania, treasurer.

PHILIP C. BROOKS, *Secretary*
Society of American Archivists

Schools, Courses, and Tours for Community Planning.—The Harvard graduate school of city planning has been reorganized as the department of regional planning, coördinate with the departments of architecture and landscape architecture, in the Harvard graduate school of design. Henry V. Hubbard is chairman of the new department. It is intended that students in regional planning shall have access to instruction in engineering, as a field of physical planning, and also to instruction in economics, government, sociology, etc., as dealing with the social-economic aspects of planning.

A summer conference on planning will be held at Harvard University, in Cambridge, Massachusetts, from June 14th to July 10th, under the joint auspices of the Harvard graduate school of design and the school of architecture of Massachusetts Institute of Technology.

A summer session in housing, community planning, and low-rent housing management will be held by the school of architecture and allied arts, New York University, at the Bryant Park Center in New York City, June 14th to July 28th. Immediately following there will be a European study tour of seven weeks, visiting housing enterprises in six countries of northern and western Europe. Dr. Carol Aronovici, assisted by Dr. Dorothy Schaffter, associate professor of political science at Vassar College, will be in charge of both projects.

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

Tennessee Paves the Way for the County Manager Plan.—Tennessee is one of the three states which have preserved the forms of seventeenth century English local government in that the justices of the peace act as an administrative board for the conduct of county affairs. In Tennessee this has meant that the county governing body (quarterly court) may be composed of as many as fifty-two members, elected from districts within the county which may number up to twenty-five. The unsoundness of this plan of county management is obvious, and in Kentucky, where the justices of the peace are also the county administrators, the constitution permits any county to adopt as an alternative plan a county commission of three members elected at large. Twelve Kentucky counties have accepted this plan, and these include the counties which contain the seven largest cities in the state.

It is just now being realized that Tennessee counties can adopt a similar county commission plan under the present state constitution. The quarterly court system is assumed by the constitution, but actually that document confers upon the court only a few unimportant duties. As early as 1911 Shelby County, containing the city of Memphis, secured a local act setting up a three-man commission which took over substantially all the powers of the quarterly court except the levying of taxes and the court's few constitutional duties. This act was upheld by the state supreme court.[1]

The same device of setting up a county commission alongside an emasculated quarterly court has recently been used in local acts for Moore and Knox Counties. The Knox County act went further than the Shelby County plan, chiefly because it was made mandatory upon the quarterly court to levy taxes sufficient to finance the budget adopted by the commission. The act was immediately tested in the courts, and on May 8, 1937, was upheld by the state supreme court. Thus it is now clear that any Tennessee county can take from its quarterly court all substantial powers of county administration and turn them over to a small commission elected at large.

Perhaps the most important meaning of this

[1] *Prescott* v. *Duncan*, 126 Tenn. 106 (1912).

development is that it appears to open the way for the county manager plan of government in Tennessee, since an essential feature of the plan is a small elected council or commission serving as the county legislative body. Hamilton County is already prepared to take advantage of this turn of events. A bill has been drafted by interested Chattanooga citizens which would strip their quarterly court of its administrative, legislative, and appointive powers, and provide for a five-man commission which would appoint the county manager. The bill also includes provisions for compulsory civil service, centralized purchasing, annual audit, and strict budgetary control. It is not certain that the manager features of the bill, if enacted, will pass the test of constitutionality.[2] However, the Knox County ruling brightens the outlook for the county manager plan in Hamilton County and, it is to be hoped, in other Tennessee counties.

C. HERMAN PRITCHETT
Tennessee Valley Authority

*

Gallatin County, Montana, to Vote on Manager Plan.—Gallatin County will probably vote on the county manager form of government at a special election within the next three months. A petition has been signed by more than 1900 voters in the county requesting the board of county commissioners to call an election and vote on the adoption of the manager plan. Montana law requires that a petition must be signed by at least 20 per cent of the number of people who voted in the last general election in order to have the commissioners call a special election. Twenty per cent of the voters in Gallatin County would be approximately 1600 names.

Bozeman, the only city in Montana to have the city manager form of government, is the county seat of Gallatin County. The success of the city manager plan in Bozeman during the last fifteen years is an important factor in accounting for the interest in the manager form of government for Gallatin County. The movement for the county manager petition was sponsored by the Rotary Club, with other affiliated civic organizations coöperating.

R. R. RENNE
Montana Agricultural
Experiment Station

[2]See Estes Kefauver, "Reorganization of County Government Upon Council Manager Plan," 14 *Tennessee Law Review* 406-19 (1937).

Henrico County Citizens Rally to Defend Manager Charter.—On June 29th Henrico County, Virginia, will hold a referendum upon the question of retaining its county manager charter. The plan is one of the optional systems provided by the Virginia general assembly, session of 1932, and was adopted, following a vigorous campaign sponsored by the Henrico Citizens League under the leadership of J. Randolph Tucker, a prominent lawyer of Richmond. The opposition consisted of the then county officials, officeholders, and their friends. The manager plan carried by 363 votes. The old board of supervisors, however, refused to vacate the court house, and the new government which was supposed to take office January 1, 1934, did not do so until authorized by the state supreme court in March 1934.

In the next regular election for supervisors the manager candidates stayed out of the Democratic party primary in August 1935 and ran as independents in the November 1935 general election, being opposed by nominees of the Democratic primary, known as down-the-line Democrats, who admitted the success of the manager plan, but who argued that it should be under party control. The result of the November 1935 election was that all the manager or so-called independent candidates were elected.

The opposition remained quiet until October 1936 when the county clerk, an esteemed official who had held office for over sixty years, died. He was succeeded by his deputy who promptly challenged the right of the board of supervisors to fix his salary at any less amount than that paid the former clerk, and also objected to having to select the employees in his office through the merit system as provided in a report and personnel survey which was at that time under way by the Public Administration Service of Chicago. These matters were taken to court by the county clerk and are still in litigation, and may go to the state supreme court.

In the meantime the commonwealth's attorney, or county prosecutor, is objecting to the payment of the Public Administration Service bill for the personnel survey.

This personnel survey and the clerk matter agitated the county political leaders profoundly, and together with the action of the county school board in employing a new superintendent of schools at a higher salary than that of the former superintendent, precipitated their

active opposition, which is taking the form of an effort to change the form of government back to the one abandoned by the voters in 1933.

The Henrico Citizens League which originally sponsored the movement has reorganized with Harris Hart, a former state superintendent of public instruction, as president, to oppose the change, and the voters will decide on June 29 whether to continue under the present form or go back to the old system.

WALTER J. MILLARD

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Mississippi County Finances.—A picture of Mississippi counties can be gained from the following brief description: the state's two million population represents an average of 24,500 for each of the eighty-two counties. The range is from 5,704 in Stone County to 85,118 in Hinds. The average area of the counties is 565 square miles, ranging from 386 square miles in Alcorn County to 905 square miles in Yazoo County. The assessed valuation for ad valorem tax purposes averages $6,622,797, ranging from $1,425,000 in Stone County to $43,876,705 in Hinds County. The average per capita valuation is $270, ranging from $86 per capita in Itawamba County to $538 per capita in Warren County. County indebtedness, exclusive of cities, totals $83,244,740, ranging from $38,205, or 76 cents per $100 of assessed value and $1.97 per capita in Pearl River County to $5,531,883 in Harrison County, with $45.16 per $100 assessed value in Humphreys County and $133.69 per capita in Sharkey County. Pearl River County has only six outstanding bond issues—one for the county as a whole for schools, one separate school district issue, and four special school district issues. Bolivar County has 150 outstanding bond issues—twelve being county-wide for courthouse, schools, and roads; thirty-two special road district issues; twenty-six special school district issues; and eighty drainage district issues. Statistics of this type are deceptive. For instance, the population and wealth of Bolivar County makes the burden of indebtedness much lighter than in the counties which seemingly have much lighter loads. The eighty-two counties have some 2,716 issues of bonds for the following purposes: funding bonds, courthouse and jail bonds, road and bridge bonds, school bonds, armory, current debt, exposition, hospital, railroad, seawall, toll bridge, special road district, special school district, separate school district, and drainage district bonds. The debt situation is much more favorable in Mississippi now than two or three years ago. Counties which were in difficulty because of unbalanced debt-financing plans have been able to refinance with a better distribution of maturities.

With regard to financial stability, it may be mentioned that there are only eleven so-called "deficit" counties in the state. That is, state taxes collected from the counties are less than state disbursements to the counties. Items of taxation classified on a county basis are the eight-mill state ad valorem property tax, the two per cent sales tax, the business privilege tax, the tobacco tax, the amusement tax, the income tax, the franchise tax, the gasoline tax, and land redemption sales. In turn, the state of Mississippi returns to the counties aid to schools, Confederate pensions, a portion of the gasoline tax, and part-payment of the county assessor's salary.

This brief comment may be supplemented by the statement that anyone interested in county finance may secure the Mississippi State Tax Commission (Jackson) *Service Bulletin No. 16*, dealing with the internal debt structure of the counties of Mississippi. This excellent and thoroughgoing volume is a splendid example of complete and accurate public recording.

DAVID W. KNEPPER
Mississippi State College for Women

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Tennessee Fee System Subjected to Court Attack.—The fee system of payment for justices of the peace has been attacked in a suit brought in Knoxville. A plea in abatement was filed in the justice of the peace court on the ground that the fee rendered the justice incompetent to sit. This action was based upon a ruling of the United States Supreme Court in the case of *Tumey v. Ohio, 273 U. S. 510, 1926*, which held that the statutory provision that a mayor acting as a justice could be compensated only in fees collected from the accused violated due process. The Tennessee justice refused the plea, stating that no similarity existed between the systems of Ohio and Tennessee. It was pointed out that in Ohio the magistrate concerned handled criminal cases only and received a fee only when the defendant was found guilty. The present suit involves a civil matter. In addition, the justice stated that the law of Tennessee allowed assessment of charges on

either party to the suit. It is planned to appeal the case to the superior courts.

LEE S. GREENE

Tennessee Valley Authority

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Pennsylvania Legislature Provides Charter Commission for Philadelphia County.—The Pennsylvania legislature has recently passed and the governor has signed a bill to appoint a commission to draw up a new charter for the city and county of Philadelphia—for use if and when the city-county consolidation amendment is adopted. This amendment has been passed by two legislatures and, if the supreme court permits a vote on it, will be submitted to the people either in 1937 or 1938. It is generally admitted that the bill is unconstitutional as the constitution is now construed, but the supreme court may reverse itself. If submitted to popular vote it is expected that the amendment will be carried and the charter commission legislation has been enacted in anticipation of this event.

Under the act providing for the commission, the governor has appointed ten of its fifteen members, the legislature the balance. The governor has named Thomas Evans of Philadelphia as chairman.

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Comprehensive County Bills Pass in New York.—Two years ago by a three-to-one majority the people of New York State passed the county home rule amendment to the state constitution. This amendment gave New York City control of the five county governments within the city and instructed the legislature to prepare optional alternative forms of county government for submission to the people of the other counties of the state. In preparing these alternative forms the legislature was given permission to disregard the old constitutional restrictions as to county government and also to rearrange the structure of local governments within the counties. Last year the legislature passed an optional county government law which took little advantage of these new powers. Two more comprehensive bills, which passed the senate unanimously, were defeated in the assembly.

This year the legislature passed both of the more comprehensive bills and Governor Lehman signed them both. Fortunately there is no conflict between them. With the options of both bills to choose from, the counties of New York will have a gratifyingly wide selection including all the principal recommendations in the model county government law of the National Municipal League. Both bills were strongly supported by a group of civic organizations scattered over the state, including the State League of Women Voters and the New York State Committee of the National Municipal League.

The first of the two bills to pass was the Buckley-Reoux bill prepared at the request of the legislature by the New York State Commission for the Revision of the Tax Laws (Mastick commission) and described on page 110 of the March issue of the REVIEW.

After this bill had safely passed both houses the day before adjournment, a still more comprehensive bill, sponsored by Senator Thomas C. Desmond and Assemblyman Lee B. Mailler of Orange County, emerged from committee and passed both houses without a single dissenting vote. Among the options included only in the latter bill are proportional representation for county boards of supervisors, preferential voting for all county officers, a nonpartisan ballot, transfer of police functions from local units to the county or to the state, county control of all local roads and highways outside cities, centralization of judicial functions in the county, separation of towns and villages, and abolition of units of local government of a given class or classes under proper safeguards without abolishing all local government.

Both bills grant wide new powers of home rule in legislation, as authorized by the county home rule amendment, and for that reason if no other are likely to be extensively used. Both contain valuable safeguards as a condition of securing their privileges, such as independent audits, sound budgeting procedure, and abolition of the fee system of compensation.

All of the options listed are available, under either bill, by petition and popular vote. Under the terms of the county home rule amendment a separate majority vote must be obtained in any city which includes more than a quarter of the county's population and in the county outside such cities. Both bills require additional local majorities in certain cases for the transfer of functions from one unit of government to another.

The bills were both drafted by staff members of the National Municipal League. How-

ard P. Jones, secretary of the league, was the draftsman of the Buckley-Reoux bill. George H. Hallett, Jr., associate secretary of the league and secretary of the New York Citizens Union, was the draftsman of the Desmond-Mailler bill.

G. H. H., Jr.

TAXATION AND FINANCE
Edited by Wade S. Smith

Governmental Authorities in Chicago.—Several months ago this department discussed the multiplicity of taxing units in a small mining community in the anthracite coal fields of Pennsylvania, with the intention that other comparable situations would be considered from time to time. That[1] was a one-industry community whose economic future is uncertain and whose governmental complexity distresses only outside observers. This month we turn to a community of vast and growing wealth, whose governmental ills have been viewed with alarm by amateurs and professionals alike, and whose misdeeds have been pilloried for the whole world to see.

Of Chicago's century of economic progress little need be repeated here. Surging outward from the city of Chicago, with its three and a half million people, its stockyards and mail-order houses, its Loop banks and grain pits, its railroad sheds and lake-to-ocean freighters, the community adds another million inhabitants and diversified industries as it pushes through encircling Cook County, and comes to rest in satellite towns in Indiana and Wisconsin whose contributions raise its total population to well over five million people and give it a backbone of combined industrial, mercantile, and financial resources second to no other community in the world. It is little wonder that the local press, with a pardonable exuberance, calls this mighty metropolitan area "Chicagoland."

The Chicago metropolitan area is usually estimated to contain some 1,806 tax-levying governmental units, of which 368 are in Cook County, Illinois, and the others in adjacent portions of Wisconsin, Indiana, and Michigan. In the city itself there are six tax-levying and debt-incurring units, exclusive of the state and federal governments, and it is with these that we are concerned in this discussion. They are Cook County (four-fifths of whose taxable valuation is within the city itself), the city of Chicago, the Chicago board of education, the Chicago park district, the Chicago sanitary district, and the county forest preserve district.

The city, board of education, and park district are coterminous, as are the county and the forest preserve district. The sanitary district includes all of the city—which amounts to approximately nine-tenths of its taxable value—and the major suburban areas of the county. The functional responsibilities of the various units are obvious from their titles, except for the park district. This district, in its boulevard system, provides not only streets and street maintenance within the city, but supplies policing also. Many of the city's most important thoroughfares, including the famous Michigan boulevard, Jackson boulevard, and other downtown streets, are policed by the park district, whose police department is a large and complex organization. The judiciary is primarily an arm of the county government, while relief is administered by a county relief commission under state supervision and with funds largely supplied by the state. Further, the forest preserve district supplies a measure of facilities which in many other large cities are included within the province of the park department. It is evident, therefore, that in spite of the apparent divided responsibility of the six units the segregation of functions is not complete, and there is some measurable overlapping of services.

It is on the side of fiscal administration, however, that the unwieldiness of the city's governmental structure becomes apparent. Except for the fact that the assessment of property and the collection of taxes is centralized in the county government, and for an arrangement of convenience whereby the city acts as the check-writing agency of the board of education, it may be said that each unit goes its own separate way. Neither the machinery nor the inclination to provide it exists for the preparation of a coördinated financial plan for the community as a whole, either for current operations or for capital programs.

Each unit adopts and executes its own annual budget, and these budgets may truthfully be said to represent a remarkable series of documents, for layman and administrator alike. Expenditure appropriations are set forth in

[1] Shamokin, Penna. Cf. *Governments Galore*, National Municipal Review, February 1937, page 98.

considerable detail according to a standard classification. But the revenue side of the budget offers little in the way of information for those seeking substantiation of revenue estimates. All the units operate on an accrued revenue basis, and revenue appropriations are as solid or as illusionary as the authorities desire. Miscellaneous revenues are usually estimated in lump sums; surplus revenue is appropriated if a fund surplus exists after offsetting prior liabilities against accrued assets, and a deficit is levied for if a fund deficit is determined to exist; and the tax levy is fixed to balance miscellaneous revenues and the fund surplus or deficit against expenditure appropriations. Budgeted funds range from eight to twelve in the various units, and frequent attacks on budgetary items have been sustained in the courts on actions brought by taxpayers protesting parts of the levies of the various units. The board of education has been particularly susceptible to actions of this type, but the business of handling tax suits on a contingent basis has grown into something approaching a community scandal, with serious losses on the levies of all units which have this year resulted in legislative amendment of the county tax procedure to abate this evil. It is unlikely that the present budget-making practices of some of the units would be long tolerated were it not for the fact that so many budgets are prepared in Chicago by the numerous units that the intelligent taxpayer gives up in any attempt to follow this important item.

If budget-making is confused, the administration of public debt is scarcely less so. The consolidation of twenty-two independent park districts into one park district in 1934 removed much confusion in this regard, but a multiplicity of sinking funds and the special status of temporary tax borrowing lends unwonted color to the situation even yet. Poor tax collections and the lack of local bank credit forced all the local units except the city and the board of education into default at various times during the depression, but these defaults have been remedied by refunding which has been on the whole soundly conceived. Under special legislative authority, twenty-year term bonds with callable or purchasable features have been used, and, led by the sanitary district, the county, park district, and forest preserve have refunded their entire debt under schedules which provide for a moderate and even contribution from the taxpayers, with the opportunity of reducing principal as rapidly as tax collections permit. Each of the six units has a debt limit of 5 per cent of assessed valuations, but on the low basis of assessements,[2] and with a debt the lowest of any of the larger metropolitan cities in the country, security is ample. Only the most fragmentary capital plans exist for any of the units, however, except for the sanitary district, whose construction program is largely pursued at present in accordance with a United States Supreme Court order, and there is absolutely no capital plan for the community as a whole.

It is in regard to tax assessment and collection, though, that the disorganized fiscal system meets its Waterloo. The county assesses property and collects taxes, as has been mentioned before. But it has done so hitherto under what can only loosely be called any system at all. Though the tax suit racket has been going on for a number of years, and is growing in seriousness, it is only within recent months that the county has consolidated and released data showing how the ultimate collectibility of taxes has been affected thereby. And only within the past year has any beginning been made in installing individual control records of each taxable property—a detail of tax enforcement mechanics of the utmost importance if the *collection* and not the ad lib *receipt* of taxes is to be experienced. Some conspicuously effective use was made by the county of the so-called Skarda tax receivership act during the acute depression years, but this device, it is said by local observers, has fallen into a questionable disuse during the past year or so. The county's chief fiasco in its administration of the tax system came, however, in 1928, when its assessment practices and malpractices caught up with it, and the state tax commission ordered that the 1927 quadrennial assessment be thrown out because of gross inequalities, and a reassessment made. The reassessment, originally estimated as a six-months rush job, dawdled along so that the 1928 taxes were not billed until the summer of 1930, and a delayed schedule of tax billing looking to the restoration of

[2]Assessments are legally required at full value, but are actually at 37 per cent of full value, by application of an equalization factor determined to conform with the level of assessments throughout the state.

normalcy in 1940 has been followed since then, with disastrous consequences so far as actual tax collections go. Normalcy in the tax collection schedule has little to recommend it, incidentally, since normally taxes are not put into collection until March following the close of the fiscal (calendar) year. Current operations are financed by tax-anticipation borrowing, and the tax warrants are payable solely from the receipts of the taxes against which levied—a condition auguring ill for the holders of warrants of certain years[3] from which collections will not cover outstanding tax paper. In the collection of taxes, confusion has reigned supreme for some years, and in this every agency dependent upon the county for collection of its taxes has played the part of the none too innocent bystander.

The tangled web of Chicago's multi-unit financing is in sharp contrast to the relative simplicity of cities like New York (where only the city has taxing and debt-incurring power). Functional lines overlap also, so that, all in all, the community displays lack of integration to a degree possible only in a city which has been so busy growing and producing that it has taken little time to gauge its drift as a local government. And this lusty and sprawling giant on the shores of Lake Michigan has shown to date no inclination[4] to get organized.

■

School Levy Failure Shortens Cincinnati Term.— Citizens of Cincinnati, whose council-manager charter includes safeguards against the straight-jacketing tax limit which is spreading trouble among other Ohio cities, have recently refused to vote their school district out of tax-limit financial stringency. The schools, as in other Ohio cities, are entirely independent of the city government, and do not share, apparently, the confidence that is extended to Cincinnati's city-managed administration. The district's share of the 3 per cent sales tax (state collected), plus extra levies voted in 1934 and 1935, have kept the fiscal wolf from the school doors heretofore. The 1936-37 levy was voted down, however, and the current school year has been curtailed 7½ per cent, or about three weeks, to a total of thirty-seven weeks.

■

New York Legislature Subsidizes Landlords.— Governor Lehman signed on May 18 a bill, requested by New York City officials, which will permit the use of the public credit to finance improvements in privately owned tenements in the first city of the land. Owners of the tenements will be billed over a ten-year period for the expense which the city incurs in modernizing buildings from which families would otherwise have to be evicted, the charge to constitute a prior lien on the property. Financing will be by means of ten-year assessment bonds. Modernization is necessary to comply with statutory provisions for safety and sanitation. Students of the use of public funds for housing will find this authorization an interesting variation of the more common methods of achieving the ends sought.

■

Nebraska to Take Over Private Utilities.— Nebraska's three public hydro-electric power districts are making arrangements to acquire the power and transmission facilities of the five private utility systems now serving the state, according to press advices received as this department goes to press. The legislature has authorized the issuance of utility revenue bonds for the purchase of the now privately owned facilities, and arrangements for the financing are said to be nearing completion.

■

Mississippi Voters Approve Industry Subsidies.— Four out of five Mississippi communities have approved bond proposals under a 1936 act of the state legislature authorizing local governments to use the public credit to subsidize new industries. Bond proceeds will be used to promote the establishment of industrial plants in the cities concerned, generally for actual plant construction, etc.

Treating the five elections as a group, 75 per cent of the qualified electors voted, and 91 per cent of those voting favored the proposals. The chief project is that of Pascagoula, in Jackson County, where an issue of $150,000 to establish a woolen knitting mill was approved 1,256 to 110. All proposals of the type must be submitted to the state industrial commis-

[3]Board of education warrants of 1928 and 1929. These have been the subject of extended litigation, with holders of unpaid warrants entitled (at the latest stage of developments) to recovery pro rata of funds already paid on retired warrants.

[4]Notwithstanding the commendable efforts of the Civic Federation and Bureau of Public Efficiency, and of the Committee on Public Expenditures, etc., the general public is apathetic.

sion, and if approved, permission for a special election is given. Since the policy of attracting businesses and industries by such concessions as tax exemption, preferential wage treatment, etc., are generally frowned upon by authorities on public finance, this Mississippi experiment in the direct subsidy of industry will be watched with considerable interest.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

P. R. Made Optional in Massachusetts.—On May 24th Governor Hurley signed the Herter bill making P. R. optional by petition and popular vote for all cities and towns in Massachusetts. It becomes chapter 345 of the Massachusetts laws of 1937. Under the terms of the new law P. R. in approved form will be available for councils and school committees with the single exception of the Boston city council, which had to be taken out by amendment in order to secure the bill's passage. The Boston school committee is included. In addition mayors, including the mayor of Boston, may be elected by the corresponding Hare system of majority preferential voting, often known as the alternative vote.

The bill went to the governor only after spirited contests in both houses. It was defeated once in the senate, but the vote was reconsidered.

Following the Herter bill through, the Bond bill to make the "Cincinnati plan"—P. R. and the city manager plan in combination—available for all cities except Boston by petition and popular vote passed both houses but was vetoed by the governor because of opposition to the manager plan. The two bills did not conflict and advocates of P. R. were hoping that the Bond bill would also be signed. Its successful passage through the legislature may be attributed in considerable measure to the tireless efforts of Chandler W. Johnson of Cambridge and his father, Professor Lewis Jerome Johnson of Harvard.

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P. R. in the New Irish Constitution.—The proposed new constitution of Ireland (Eire) submitted to the parliament (Dail Eireann) of the Irish Free State by President Eamon de Valera continues the use of the Hare system of P. R. for elections of the dail. P. R. is now the basis of all public elections in the Irish Free State. It has been used for all important public elections ever since the Free State was established in 1922. All parties and nearly all public leaders have favored it. President de Valera has been a consistent advocate. He once said that "whether it benefited us or not, I would be in favor of the principle, because it is justice."

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P. R. in the New Constitution of India.—India—covering a territorial area greater than half the United States—is a country deeply divided by differences of race and religion. An essential part of any system of self-government applied to such a country must be the provision of safeguards for the representation of minorities. This need has been fully recognized under the new act of the British Parliament (the Government of India Act, 1935) which confers widely extended powers of self-government in India. This act establishes elected legislatures in the eleven provinces of British India and a central or federal legislature for All-India.

The main protection for minorities is found in the system of communal representation, the provision of which was insisted upon by the Mohammedan community. Under this system a specified number of seats is allotted to the separate communities, which form each its own electorates for the election of representatives. Thus, in the legislative assembly of Madras, 131 seats are allotted to the Hindu community, 28 to the Moslems, 8 to Indian Christians. Separate representation is also given to women, to landholders, to commerce and industry, to labor, and to certain other elements of the life and population of the province.

Within the communal constituencies some attempt has been made by means of the cumulative vote to secure representation for different sections—the moderates as well as the wings—of the same community. This is especially the case in the province of Bombay, where the cumulative vote operated to the general satisfaction under the previous constitution and where a number of three- and four-member constituencies are provided. Outside this one province the cumulative vote does not effectively apply, as the constituencies elect for the most part only one representative.

Provision is also made in the new constitution for a number of applications of the single transferable vote system of proportional representation. The system had been tried experimentally under the Government of India Act of 1919. "A system of proportional representation," stated the Simon Commission in its historic report (Report of Indian Statutory Commission, 1930), "has been constantly employed in the legislative assembly and the provincial councils for the selection of committees. No difficulty has been found in its practical operation and the members fully understand it and appreciate its advantages. It has proved its value."

This method of election is applied only in a slight degree in setting up the provincial legislatures. In the provinces of Bengal and Bihar, a portion of the legislative council (the provincial upper house) is elected by those members of the council who have already been returned by constituencies. These portions—twenty-seven councillors in the case of Bengal, twelve in the case of Bihar—are elected by the single transferable vote, and the first elections were held in the early months of 1937.

The most important applications of the single transferable vote system, however, are made in electing the federal house of assembly. This is an indirectly elected body, the electors being the members of the provincial legislatures. The members of each of the larger communities in a provincial legislative assembly will elect by the single transferable vote system an appointed number of federal representatives. Thus the twenty-eight Mohammedan members of the Madras provincial legislative assembly will elect by proportional representation eight Mohammedan members to the federal assembly, the thirty-one Sikh members of the Punjab provincial assembly will elect by proportional representation six Sikh members to the federal assembly, and so on. Over three-quarters of the representatives of British India in the federal assembly will be elected by the single transferable vote system.

The Government of India Act, 1935, provides also a new constitution for Burma. In Burma half the members of the senate (eighteen members) will be elected by the house of representatives by the single transferable system of proportional representation.

JOHN H. HUMPHREYS, *Secretary*
British P. R. Society

The Use of P. R. in Malta.—Proportional representation according to the principle of the single transferable vote was introduced in Malta as part of the constitution of self-government granted in the year 1921. The system was used in electing both houses of parliament. In 1936, owing to difficulties arising from the influence upon Maltese politics of a neighboring foreign power, the exercise of self-government was withdrawn, crown colony government was restored, and the elected parliament was replaced by a nominated council. Under the new conditions, proportional representation no longer applies.

During the period of its operation the system was highly successful in securing a full representation of political opinion in Malta. In 1931 a royal commission was appointed to examine the working of the constitution. As regards the electoral system that commission reported that there were no proposals for a change of system, but that on the other hand there was evidence that "the system was fully understood by the voters and was much appreciated by them." Leading members of different political parties testified to this effect. Lord Strickland, the prime minister at the time, stated: "I find proportional representation excellent in Malta. . . . It is the only system possible."

JOHN H. HUMPHREYS

CITIZENS' COUNCILS

Edited by Geneva Seybold

East Cleveland Community Council.—"Coördination" and "coöperation," goals frequently remaining just around the bend, are part of a working plan in East Cleveland which an editorial writer in Cleveland recently described as the latter city's "brisk neighbor" which "goes about its business of government with a maximum of efficiency and a minimum of noise." Forty-four organizations in East Cleveland, including civic, fraternal, and science groups, PTA's, churches, and welfare agencies, are represented on a citizens' council which coordinates the programs of the member groups to prevent overlapping and studies and stimulates interest in civic affairs.

Each organization is represented by its executive head and one appointed delegate.

There are also members-at-large, their number never exceeding 20 per cent of the total membership. The council now is made up of eighty-eight members and sixteen members-at-large. Active committees are those on municipal government affairs, education, welfare, community improvement, recreation, finance, membership, program, publicity, council history, and music association.

The last named is unique in this council. Most communities are over-organized and when representatives of the many groups meet together much duplication of programs is discovered. But the East Cleveland Community Council found that there was definite need for new organization in the community. The city wanted to have a local branch of a musical settlement and there was no organization ready to sponsor it. The community council therefore took the leadership in forming the East Cleveland Musical Association composed of professional musicians as active members and others interested in music as associate members. This group has organized a music school, making it possible for children with only a small amount of money available to have the best of teachers. It has also sponsored worthwhile musical programs free of charge for the enjoyment of the entire community.

New projects are discussed in council meetings and agreement made as to which member organization can most effectively serve as sponsor. Thus having agreed that a forum should be held next fall on election issues in the interests of civic education and intelligent voting the municipal government affairs committee has been given the task of finding an organization to conduct the forum and work with the group in arranging the program.

The community council has been found very helpful by public officials in formulating their policies since through it it has been possible to determine public reaction. A proposal, for example, that a community center building be built with the aid of WPA was the subject of thorough study and discussion by the council. After weighing the advantages of such a building, analyzing its cost including maintenance and probable income, and after consulting with public officials, the community council decided to recommend that the city council not proceed with the community center project.

City officials frequently address the council on civic problems, answering any questions that members care to ask. City Manager Charles A. Carran discussed zoning at a recent meeting of the council. The president of each organization on the council had been asked to bring the committee chairman in his organization who was charged with keeping in touch with city or legislative affairs. At the close of the meeting these chairmen met to develop a plan for pooling their efforts in working for certain objectives in the field of zoning.

The third annual community dinner sponsored by the community council was held in May. At these dinners the head of each group represented on the council explains briefly the aims, purposes, and place in the community of his organization.

At the regular monthly meetings time is allowed for any announcements members care to make relative to activities of their organizations. A PTA council representative announces a study group for parents to interpret the curriculum of the elementary schools; another member announces a clothing drive; a third asks for recommendations of boarding houses for children; a fourth urges the support of all organizations for establishing a permanent camp site for girl scouts. Thus each organization knows what the others are doing.

"We have achieved a better understanding in civic matters among the citizenship in general," an officer of the council says, "had an interchange of ideas, a common meeting place for all organizations where information can be disseminated and where subjects of universal interest can be freely discussed pro and con." M. W. Hoyt Lowden is president of this citizens' council which has been at work for two and a half years.

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Saratoga Springs Citizens' League.—With renewed vigor the Citizens' League for Better Government is making a survey of city charters with a view to improving the government of Saratoga Springs. REVIEW readers will remember the important part played by this citizens' council in the campaign for a city manager charter in 1935. After studying many plans the council decided that city manager plan C under New York State's optional government statute offered most advantages and undertook a program of education and active sponsorship. The plan lost by a small margin of 227 votes.

The question of a new charter may be put before the electorate again in November of this year. The attitude of the citizens' council is that of a professional research organization, indicated by the way in which it is undertaking its new survey. After a two-year period it is not assuming that the city manager plan is necessarily the best for Saratoga Springs but is covering once more the entire field of charters that offer possible improvement. At a recent meeting of the council, for example, a report was made on the Glens Falls city charter, an example of the "strong mayor" type of government. Members of the council feel that their experience of two years ago in handling education and publicity will be of great value in promoting whatever form of charter the council agrees to support.

The Saratoga Springs Citizens' League follows the plan, common to many citizens' councils, of having a city official, or one closely connected with the city government, speak at each meeting of the group telling of the work done under his management, after which there is open discussion. At a recent council meeting the district administrator of WPA outlined savings through WPA to the city, telling particularly of various road projects and giving figures on total costs. In the open discussion that followed the administrator was asked and answered numerous questions such as why certain projects had been halted, why certain workers had been laid off, and why certain of the WPA men "could drive to work in automobiles." The frank discussion at council meetings, it has been learned, have been important media for obtaining citizen understanding and support for local government projects.

Miss Kathryn H. Starbuck is chairman of the Saratoga Springs Council.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Governmental Research to be Subject of Study.—A year's study of the governmental research movement is to be made by Frederick P. Gruenberg under the auspices of the Committee on Public Administration of the Social Science Research Council, it has been announced by Louis Brownlow, chairman of the committee.

The first citizen-supported bureau of municipal research was established thirty years ago; there are now over fifty-five local bureaus and over forty state-wide agencies. It has for some time been the feeling among leaders in the movement that an objective analysis of the work of the bureaus would be of help in defining the future of the movement, in the light of its past successes and failures. A number of bureau heads have been expanding the scope of their activities; at the same time newer types of agencies have entered the field, such as the tax-supported research unit, the university bureau of administration, the taxpayers' association, the state league of municipalities, the national professional association of officials, and others.

Mr. Gruenberg is considered especially well equipped to conduct this study. He was for eight years director of the Philadelphia Bureau of Municipal Research, and has been president of the Governmental Research Conference. He has more recently been a member of the Pennsylvania Public Service Commission. The headquarters of the study will be 1701 Walnut Street, Philadelphia. Mr. Gruenberg expects to visit a representative group of communities in which governmental research work is carried on.

The Governmental Research Association has expressed its interest in the study; and has been asked to designate an advisory committee to work with Mr. Gruenberg and the Committee on Public Administration.

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Pittsburgh Efficiency and Economy Commission.—The Efficiency and Economy Commission of Pittsburgh, organized in accordance with a resolution of city council, approved by the mayor, started operations about the middle of April 1934. The membership of the commission, consisting of twelve representatives of large taxpaying corporations, was largely technical and professional in its makeup, and included engineers, accountants, lawyers, bankers, and operating executives.

From the start the commission recognized that no group, regardless of individual qualifications, could quickly scrutinize operations with which they were not familiar, and prescribe a remedy. The commission's approach to the problem lay in the adapting of the systems and methods, organization set-up, policies and procedures, as developed by pri-

vate corporations through years of experience, to the specific operations of the municipal corporation.

It was decided to make no recommendations based upon perfunctory studies and an extensive fact-finding program was planned. Committees and subcommittees with a total personnel of some 150 members were set up, each assigned to a specific part of the task. The subcommittees are representative of Pittsburgh's very best accounting, engineering, financial, and legal talent, together with men specially qualified along many other lines.

The following subjects have been or are being surveyed and studied: debt and sinking fund, compensation and general public liability, pensions, Mayview fire protection, central payroll bureau, cost accounting, collection of delinquent accounts, revenue accounting, accounting in general, personnel survey, salary and wage standardization, civil service, general reorganization, central service depot, operating districts, purchasing, stores, automotive and other equipment, shops, bureau of water. Substantial progress has been made in installing the recommendations of these reports.

Debt and Sinking Fund. The commission's report, accepted by the city authorities, resulted in legislation enabling the elimination of 6 per cent certificates of indebtedness and the substitution therefor of short term notes. It also brought about a ruling as to the legality of optional coupon bids. This will enable the city to reduce interest payments by a large amount annually and to secure the best possible terms in disposing of its bonds. Many thousands of dollars have already been saved through the medium of short term notes.

Compensation and General Public Liability. It has been necessary to appropriate nearly three hundred thousand dollars annually to cover these items. The commission's survey disclosed that due to the lack of proper organization to handle such matters, the expenditures made were considerably in excess of what would be made by private industry. Based upon a report of the commission, the city authorities are establishing the proper organization and procedure to handle these items and it is estimated that there is a possibility of saving as much as one hundred thousand dollars per year.

Pensions. The 1936 appropriation for the three pension systems totalled $1,236,000. The commission presented a report on a *Retirement System for the Employees of the City of Pittsburgh* which, if followed, will both safeguard the employees' interests and enable a gradual turnover to an actuarially sound system through which each city employee may feel that he is building up a sound equity through each year of service rendered.

Central Payroll Bureau. The payroll of the city of Pittsburgh amounts to more than nine million dollars a year. Between five and six thousand people are employed. As a result of a thorough and detailed survey and report by the commission which was accepted by mayor and council, the central payroll bureau is being installed as part of the controller's organization. This installation not only furnishes means for safeguarding the integrity of the payroll but it is also a medium for the establishment of a sound cost accounting procedure and is one of the elements of the modern accounting system which the commission is developing for the city of Pittsburgh.

Central Warehouse. Operating Districts. Mayor and council have already accepted the plan for a central service depot to include warehouses, shops, garages, storage yards, etc.; have secured a site for these operations; and the detailed layout and design are now in process. This was the subject of a "fireside chat" by Mayor Scully. Modernization of the city's "service plant" will make possible more economical purchasing, the safeguarding of the care and custody of materials and supplies, the producing of proper records as to the ultimate use of these materials and supplies making thorough auditing possible. Also, the development of stores accounting is another step in the commission's over-all accounting plans. The establishment of these facilities will enable the operating districts for outside activities such as water, highways, sewers, street cleaning, etc., to be materially reduced in number with a resultant decrease in overhead expense and increase in operating efficiency.

General Reorganization. The mayor and council have held numerous working conferences in consideration of the commission's tentative general reorganization plan. This plan is designed to eliminate overlapping of duties and duplication of effort. It also

eliminates divided responsibilities and tends to make the lines of authority and assignment of responsibility definite.

Many of the changes proposed are sweeping in nature. Some will require state legislation, others may be accomplished by ordinance. The mayor and city council have assigned a special assistant city solicitor to study the laws affected, the commission's proposals, to keep pace with council's study of these proposals, and to formulate such legislation as may be necessary to put them into effect as adopted.

HENRY HORN, *Executive Secretary*

Fitchburg Taxpayers' Association.— Noteworthy progress has been achieved by the Fitchburg, Massachusetts, Taxpayers' Association during its fifth successive year of public service. Through the five years of service to taxpayers and public officials alike, the association has endeavored to promote efficiency in governmental administration by presenting scientific solutions to public problems. The path has not been easy, and perhaps never will be, but the diligence of public-spirited and unselfish citizens has achieved a lot toward the realization of the goal.

With the administration of every such agency comes the problem of public acceptance. Generally speaking, such initiative counts for little unless the public is ready and willing to support programs that are offered for the promotion of efficiency and honest administration. Fortunately, and perhaps deservedly, the Fitchburg association has met with general public approval. It is not intended to imply that there has been no opposition to its policies—for there has been. In the main, however, a reputation of honest research ability and indisputable integrity has been maintained.

Membership in the Fitchburg Taxpayers' Association continues to grow, and as this note goes to press the membership rolls include about 40 per cent of the property taxpayers of the community, representing nearly 78 per cent of the taxable property.

Several important studies will be made by the Fitchburg association during the coming year. One of these will be a thorough analysis of accounting procedures in the Fitchburg treasurer's office. The purpose of this work will be to bring this city department up to the latest standards of municipal accounting.

Another investigation will be undertaken of municipal self-insurance. The chief object of this study is to determine whether the city can act as its own insurance agency. This analysis may lead ultimately to large savings in insurance premiums.

A third project to be undertaken will relate to a reassessment program. Due to the loss in taxable valuation caused by the exemption of the machinery of manufacturing corporations, it may be desirable to revise the present assessing schedule. The proposed study will offer some solution to this important problem.

Research conducted in the past by the Fitchburg association has been a major factor in the improvement of governmental administration. In the coming year we will continue to use the slogans: "the best possible government at the lowest possible cost"; and "back 'em up or show 'em up" (referring to city and state officials).

As an active member of the Massachusetts Federation of Taxpayers' Associations, the Fitchburg association keeps its membership well posted on state governmental problems. The local association also works continuously with the state federation in seeking to effect economies in the spending of the taxpayer's money.

PAUL Z. CUMMINS, *Director*

Finance Department, Chamber of Commerce of the United States.— A report entitled *The Surtax on Undistributed Corporate Earnings* has been prepared by the chamber's committee on federal finance. This report outlines a series of proposed modifications in the tax, which would make it more workable and would eliminate some of the more outstanding inequities and discriminatory features.

As information about the practical operations of the tax has become available with the filing of the March 15th income tax returns by corporations, further study of the effects of the act upon business concerns has been made by the finance department staff. The tax as it is now operating was reviewed at a special round-table session held in connection with the twenty-fifth annual meeting of the chamber on Tuesday, April 27th.

A review of the general fiscal situation of state and local governments was presented to the chamber's board of directors at its meeting March 19th by the committee on state and local taxes and expenditures. While the committee found many favorable aspects in the present situation, including a strong credit position for most municipalities, it stressed the need for continued citizen activity on state and local fiscal problems if unwise expenditures and increases in taxation are to be avoided.

The chamber's bulletin on taxation and public finance, *The Public Dollar*, has been reissued since February 1937. It will be sent upon request to individuals and organizations interested in tax problems.

Monetary policy also has been a subject of special study by this department of the chamber, and a report, *Monetary Legislation*, has been issued by a committee on monetary policy. The report covered mainly the monetary legislation enacted during the emergency period, including the devaluation and stabilization fund powers and the silver purchase act.

WELLES A. GRAY

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Bureau of Governmental Research of the Kansas City (Kansas) Chamber of Commerce.— The bureau during the past year conducted its usual examination and analysis of the budgets of the various governmental bodies of Wyandotte County. Studies were made and conferences were held with the various public officials on these matters to the end that the tax rate would be as low as possible without jeopardizing necessary governmental functions.

Early in the past year the board of county commissioners was confronted with the perplexing problem of financing poor relief in the county. A citizens' advisory committee of the chamber of commerce was appointed and the bureau took an active part in the various meetings held in the attempt to solve this complex problem.

The bureau coöperated with the legislative committee of the chamber in the analysis and drafting of several laws in which the governmental officials, the chamber of commerce, and the bureau were interested.

The bureau again drafted the modern assessment procedure bill which was sponsored by the legislative delegation from Wyandotte County. It is with regret that defeat of this important measure is again acknowledged.

The bureau and the Wyandotte County relief administration drafted a relief organization measure to be financed by the sales tax. While this particular measure was not considered, several of its features are covered by the bills passed by the legislature. The bureau was pleased that a portion of the sales tax was allocated to the local units of government for a reduction in the ad valorem levy.

It being the consensus of opinion that something must be done to strengthen the laws regarding the collection of personal property taxes, the bureau, through the legislative committee of the chamber of commerce, drafted an amendment to the present motor vehicle license application law. This amendment, which required the presenting of a paid personal property tax receipt for the previous year before the license application was acknowledged by the county treasurer, was patterned after the laws now existing in such states as Nebraska, Colorado, and California.

Numerous other measures that were before the recent session of the legislature were either drafted or approved by the legislative committee and the bureau, some of which became laws.

The bureau has continued its day-by-day contacts with the governing bodies of the county, city, and board of education. It has also continued its policy of furnishing fiscal data to various statistical-gathering agencies for comparable purposes with other cities of the nation, and has assisted in maintaining the credit of the governmental bodies in the bond markets of the country.

The Bureau of Governmental Research is established to assist governmental bodies through the study of administrative methods, to bring about greater efficiency and improved service in the expenditure of the taxpayer's money. The bureau also seeks to create a better understanding between the taxpayer and the official by the dissemination of factual information to the general public.

H. B. KENDRICK, *Director*

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Baltimore Commission on Governmental Efficiency and Economy.— Four times the number of copies necessary to serve the com-

mission's subscribers must be printed in order to meet public demand for its reports. Especially heavy has been the call for the reports on *A Real City Plan for Baltimore, Sheet Asphalt Street Repairs,* and *Pertinent Financial Data of the City of Baltimore.*

The city plan report, which presented the steps necessary for instituting a comprehensive system of city planning for Baltimore and set down in detail the duties to be performed by a commission on city plan, is being used as the basis for the deliberations of an official committee charged with the formulation of an enabling ordinance.

The city's new contracts for sheet asphalt repairs already indicate savings that may reach a quarter of a million dollars. These new contracts give effect to some of the recommendations made by the commission in its report on sheet asphalt street repairs. This report, made after exhaustive study of methods used and results obtained in Baltimore and some twenty comparable cities, explored practices affecting costs and included fifteen major recommendations. The study was made at the request of the city administration. A number of improvements in details of inspection and workmanship were accomplished during the course of the survey because of the excellent coöperation given by the city highway personnel. Keen competition among contractors bidding for the work resulted from the city's acceptance of the recommendation to break up the practice of dividing the city into districts corresponding to the number of active paving contractors resident in Baltimore.

The annual statement of *Pertinent Financial Data of the City of Baltimore,* first issued in 1931, is prepared to furnish the kind of information in demand from financial institutions and investment bankers in respect to municipal securities. The method of selecting the data and text was adopted after consultation with the investment officers of the larger life insurance companies, the municipal bond committee of the Investment Bankers' Association of America, *The Bond Buyer,* and others regarding certain essentials for safeguarding these investments. The effort was to deal with the inquiries which were stirred up by the financial problems of other cities to which public attention was attracted. This statement has been expanded and refined each year and has come to have a wide distribution among financial houses over the country.

The commission's work with regard to the establishment of permanent central registration and the use of voting machines in Baltimore nears accomplishment, as necessary legislation was enacted at the session of the Maryland general assembly just ended. The commission's reports on these subjects were taken up by civic organizations and a public movement for the improvements was initiated by those organizations.

The commission's staff was again invited to assist the budget director and the city board of estimates in the preparation of the city's annual budget. This has now become the regular and accepted practice.

The staff is now engaged on studies dealing with fiscal and organization problems of the government of the state of Maryland.

D. Benton Biser, *Director*

BONDED DEBT

(Continued from Page 300)

obligations than to incur new debt. In many cases, of course, the cities are unable to increase their debt because of tax and debt limits.

More interesting than valuable is Table IV showing the high and low cities of the various groups.

The ranking high and low cities do not always mean much. For instance, included are two resort cities, Miami and Atlantic City, which must provide facilities for populations greatly exceed-

TABLE IV

Ranges of Per Capita Net Debt Less Self-Supporting—260 American Cities Reporting 1937

Group	Highest		Lowest	
I	Philadelphia, Pa.	$197.18	Milwaukee, Wis.	$76.51
II	Newark, N. J.	$202.79	Seattle, Wash.	$63.68
III	Miami, Fla.	$314.81	Fort Wayne, Ind.	$26.68
IV	Atlantic City, N. J.	$377.05	Springfield, Ill.	$ 8.77
V	White Plains, N. Y.	$349.47	Bay City, Mich.	$16.23

ing those given in the census. White Plains is a highly developed residential community. Bay City, on the other hand, is a city of declining population.

Data on special assessment debt are collected, but the conditions under which such debt is authorized make comparison difficult. In 1937 $204,247,640 special assessment debt was reported of which $82,566,405 was reported as a general obligation of the city.

In general, this tabulation indicates no definite trends of long term debt, rather it appears that cities are consolidating their positions by retiring existing debt, by refunding, often at lower interest rates, and that only a small amount of new debt is being issued. These trends, however, are not as pronounced as reported in 1936, and may represent the beginning of a new cycle in using long term debt to finance capital improvements.

FINANCIAL AND ACCOUNTING STANDARDS

(Continued from Page 295)

ants. In several states, including Indiana and Iowa, only the state government itself can make the examination. In others either the state or private accountants may do the work, and in still others there is no provision whatsoever for auditing. The committee recommends that as a general rule there should be an annual audit of public accounts. Where the work is done by a private accountant, he should be chosen because of his qualifications for the work at hand. He should not be selected on the basis of bids any more than engineering or medical services are purchased on a competitive price basis. The audit contract should contain a clear statement of the scope of the audit, the rate of compensation, the kind of audit to be made, and to whom the report will be submitted. The auditor should make continuing and constructive recommendations for improving the accounting and auditing plan of the municipality. The National Committee on Municipal Accounting has established standards in this field through the publication of its *Suggested Procedure for a Detailed Municipal Audit*. The purpose of the annual post-audit is not only to assure all the officials that all property and cash have been accounted for, but also to see that the accounting plan itself is sufficient to provide information needed by interested parties.

The accounting and auditing procedures of a municipality are not dramatic. They involve a type of work which is highly important from the standpoint of management and control. Those who are doing the work should bear in mind that the accounting records represent the results of human activity and will be used in the future to control other human activities. The records must be produced promptly and with unerring accuracy. They must next be made available to those who can do something about the facts once presented. The chief executive will use the reports as a basis to control the activities of department heads. The city council will use them to develop the budget and formulate financial policies. The public will use them in passing judgment on the entire "city hall crowd."

RECENT BOOKS REVIEWED

EDITED BY GENEVA SEYBOLD

Facing the Tax Problem: A Survey of Taxation in the United States and a Program for the Future. By Committee on Taxation of the Twentieth Century Fund, Inc., Carl Shoup, *Research Director;* Roy Blough and Mabel Newcomer, *Associate Directors.* New York, Twentieth Century Fund, Inc., 1937. 606 pp. $3.00.

This is the first installment of a study in the field of public finance organized and financed by the Twentieth Century Fund. Professors Shoup, Blough, and Newcomer are the principal authors of this book but they have been assisted in its preparation by a group of specialists who prepared basic memoranda. These memoranda will be published in a separate volume at a later date. The book includes also a report from a committee of disinterested citizens upon the conclusions and recommendations of the researchers.

The tax system of the United States is considered in this study as a whole rather than in its particular federal, state, or local compartments. The system is tested from the point of view of its capacity to achieve certain objectives which any tax system, in the opinion of the authors, should achieve. It is found to be unsatisfactory in some of its elements as a revenue producer, and also as an instrument of social control, and to be in need of substantial revisions.

The authors of the study and, with one dissenting vote, the sponsoring committee, favor complete integration of corporate and personal income taxes (both federal and state), the repeal of the tax on undistributed profits, and the complete remolding of capital gains taxation. The use of taxation for the achievement of purposes of social control is approved with some qualifications.

As regards state and local taxation (in which the readers of the NATIONAL MUNICIPAL REVIEW are particularly interested) the authors, with the concurrence of the committee, recommend: the greater cultivation by the states of personal income taxes, the repeal of sales taxes, the abandonment of personal property taxes, and the withdrawal by the state governments from the field of property taxation generally. They advise against any drastic reductions in the local taxes on real estate, and also against the imposition of over-all tax rate limits. At the same time, they recommend that "substantial increases in the real estate tax rate be made only for the purposes of financing such local activities as clearly tend to enhance the value of real estate in the community." It is not made clear, however, which local activities clearly fall into this class and which do not.

Although the reviewer does not agree with all of the conclusions and recommendations of the authors and of their sponsoring committee (especially as regards methods of taxation of corporations) he heartily commends the book to the readers as a most comprehensive, up-to-date, critical, and constructive survey of American taxation.

PAUL STUDENSKI

New York University

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Government Finance. By Jens P. Jensen. New York, Thomas Y. Crowell Company, 1937. 595 pp. $3.50.

A noteworthy feature of this book is the breadth and completeness of its treatment. The topics commonly included in a general work on public finance are, of course, ex-

amined. Space is, however, found for a chapter—an excellent one—on the customs duties. The collection, and even the custody, of the public revenues receive attention. Subtopics and considerations under each main heading are numerous. Considerable historical material and many references to foreign experience are interwoven throughout the text. This material never appears as a decoration but always as an integral part. It serves, therefore, a most useful purpose. The book gives every evidence of being written out of a broad knowledge and understanding of public finance. And the numerous excusions into the etymology of various terms betray the love of a scholar for his subject.

Government Finance is also to be commended for the objectiveness of its treatment. On reading it, one senses the fairness with which issues are examined on their merits. Nothing of fact, conclusion, or opinion is warped. The reviewer disagreed at times with particular statements but never found occasion to question the attitude with which these issues were approached. Professor Jensen is liberal in his thinking but in no sense radical. He believes, for example, that taxation may properly be used for non-fiscal ends, provided these ends are proper, and the taxing power the most effective means of realizing them. He finds some merit in the single tax but objects to confiscation of rental values that have been privately appropriated under the "rules of the game" in effect at the time.

The treatment of expenditures is, in the reviewer's opinion, the least satisfactory part of the book. Public expenditures are, however, always difficult to treat adequately. The barren facts and sterile theories that compose so much of this division of the subject offer poor material to the writer of a general work. The expenditures of government can be determined and commented upon. It is doubtless true that the marginal analysis is a useful device for finding the goal that public expenditures should seek. But the relation between this goal of maximum satisfaction and actual expenditures is a tenuous one. The difficulty, however, lies in the problem not in the treatment.

This book should be useful to both teacher and public official. It is well equipped with illustrative material, and is written clearly, though at times somewhat laboriously. The bibliography at the end of each chapter invites exploration on the part of the reader. The many bits of sound advice included should recommend it particularly to the public official. In sum and in short, the reviewer likes the book.

M. Slade Kendrick

Cornell University

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How Shall Business Be Taxed? A Symposium by Twelve Authorities. New York, Tax Policy League, 1937. 175 pp. $2.50.

The overlapping and gaps usual in the symposium method of bookmaking have been largely eliminated from this series of papers. Professor K. M. Williamson begins, properly enough, the difficult if not impossible task of defining business taxes. He succeeds well in demonstrating the wide scope of the problem. In Chapter II Noel Sargent presents, with considerable restraint, the attitude of business. The equity and expediency of business taxes, specifically taxes on corporations, is treated by H. M. Groves, who finds the principal obstacle to reform in the fiction which separates the corporation from the stockholders. A. G. Buehler appraises present methods, and offers simplification as a remedy, particularly through the elimination of the excess profits tax and the capital stock tax. The brief comparison by Mabel Newcomer with European business taxation offers little grounds for hope of lower business taxes, although it suggests different forms. The discussion becomes pointed toward corporate income taxes, and Roy Blough presents the merits of flat versus graduated rates. The New York tax on unincorporated business is described by Paul Studenski as being too restricted in its scope and therefore fiscally unimportant. The undistributed profits tax is criticized adversely, from the business point of view, by E. C. Alvord, although he does not recommend its repeal. The same tax is further analyzed, from the point of view of the federal tax structure, by G. C. Haas; and from the theoretical viewpoint by Carl Shoup. The list is completed by two papers relating to the social security program—one on payroll taxes by L. P. Rice, and one on the berated social security reserves by E. E. Witte.

There are different points of view. It is perhaps the chief merit of this kind of literature that it makes possible the approach to a problem by authors with different conclusions. In this case, though the bias is visibly non-

uniform, the conclusions are remarkably harmonious. The style is businesslike and there has been no time and space wasted on anecdotes.

JENS P. JENSEN
University of Kansas

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The Municipal Year Book, 1937. Clarence E. Ridley and Orin F. Nolting, Editors. Chicago, International City Managers' Association, 1937. 599 pp. $5.00.

"The new *Municipal Year Book* is out!" The exclamation, spontaneously bursting forth from one of the staff, has significance. The *Year Book* has become an institution. First issued four years ago it is now an established and recognized source of factual information concerning municipal government brought within the focus of each twelve-month period.

The 1937 volume is like a new model automobile—improved considerably over its worthy predecessors. As in previous volumes, articles by authorities revealing the important trends of the year lead off the issue, which is divided into five important parts:

Part One—Municipal Administration
Part Two—Governmental Units
Part Three—Municipal Personnel
Part Four—Municipal Finance
Part Five—Sources of Information

There is much new material in the book including recent trends in urban population, credit unions for municipal employees, state grants-in-aid to local units, and a most interesting analysis of the purchasing power of municipal employees. The directory of city officials has been brought up to date and is now the standard reference for this information. Under "Municipal Finance" considerable attention is paid to the problem of financing relief and recovery, separate discussions being presented on the Reconstruction Finance Corporation, Federal Emergency Relief Administration, Civil Works Administration, Works Progress Administration, Federal Emergency Administration of Public Works, and Public Assistance. These presentations are not, of course, critical but usefully descriptive, giving a clear over-all summary of what these vast emergency organizations have done.

All in all, the book is a splendid compendium of useful information, representing an enormous amount of work, and the International City Managers' Association is to be congratulated on its successful continuance of a most important and worthy enterprise.

H. P. J.

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Pressure Politics in New York. By Belle Zeller. New York, Prentice-Hall, 1937. 310 pp. $3.00.

As the significance of the influence of minority pressure groups is coming to be fully recognized, students are giving it more detailed attention. This book holds a magnifying glass over a single legislature, that of New York State, showing lobbyists in action and other methods employed by special interest groups to obtain legislation they desire or prevent what they do not want from being written into law.

For five years Miss Zeller, an assistant professor of government at Brooklyn College, New York, sat on the side lines at the legislature, buttonholing lobbyists, questioning them regarding the methods of the organizations they represented, interviewing the heads of these organizations and examining their files. The first study of its kind, the analysis is the product almost entirely of original research.

The groups studied are organized labor and its allies, business interests, farmers, welfare groups, and the professions. Business interests whose methods are described include real estate, banking, insurance, manufacturing, and public utilities. The utility groups, according to Miss Zeller, have developed publicity projects directed at persuading public opinion to support or oppose legislation on a much wider scale than other economic pressure groups of the state because they have been able to pass their lobbying expenses on to the consumer. Other methods used by the utilities are influencing newspapers through "good will" advertising, financial investments in newspapers, maintenance of a speakers' bureau, distribution of pamphlets in the schools, a campaign to rewrite textbooks used in the schools which were "deficient" in their treatment of public utilities, use of the radio, contributions and donations to clubs and associations, and appeal to the large army of small utility stockholders.

As the district leader has no reticence in discussing his amazing methods of "practical politics," those interviewed were frank in dis-

cussion of their methods of influencing legislation. To some citizens it will come somewhat as a jolt to realize that certain legislation can be traced almost directly to an annual "good will" dinner given to the state legislators.

Miss Zeller sees the state legislature "for the most part amateurs who are annually concerned with the disposition of over four thousand bills," and distinctly at a disadvantage as contrasted with the professional lobbyist who frequently has had years of experience in the ways of legislatures.

Preliminary planning of the work of the legislature would help decrease this disadvantage of the amateur legislator, the author believes. In this connection it is suggested that a legislative council be established to prepare the legislative program for the ensuing session of the legislature. Other suggestions are a longer term for the governor, increasing his powers of initiative and leadership, strengthening the lobbying law, establishment of a unicameral legislature, reapportionment of legislators, reorganization of the committee system, and perhaps a split or trifurcated session of the legislature allowing time for study of the bills between sessions.

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County, City, and Town Government in Tennessee. By the Tennessee Taxpayers Association in coöperation with the Tennessee Municipal (Security Dealers) Association. Nashville, 1937. 41 pp. mimeo. $1.00. (Apply to the Association.)

This is a report on the first annual statewide survey of the financial situation of county, city, and town governments in Tennessee made by the Taxpayers Association. Subjects covered are bonded and floating debt, per capita indebtedness, purposes for which bonds were issued, sinking fund assets, bond principal and interest in default, bonds maturing from 1936 to 1943, taxable property, tax rates, taxes levied, uncollected taxes, annual income and expenditures.

Bases are provided for comparing one county with another and also for comparison of cities and towns. In the opinion of the Taxpayers Association a fundamental reason for the heavy debt burdens of counties is the large number of counties of small area serving very small numbers of persons. In the belief that consolidation of such counties is not practicable at the moment, the association suggests that the small county become a taxing district within a larger administrative area.

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A Reading and Study Program for Municipal Finance Officers. By the Municipal Finance Officers' Association, Chicago, 1936. 24 pp. 35 cents.

A carefully selected list of books, pamphlets, and magazine articles, material generally available, grouped by topics such as accounting, budgeting, auditing, debt administration, purchasing, and taxation. It is designed particularly for public officials who wish to increase their knowledge of municipal accounting and municipal finance.

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An Outline of Political Science. By Gertrude Ann Jacobsen and Miriam H. Lipman. New York, Barnes & Noble, 1937. 232 pp. Paper-bound, 75 cents.

This outline purposes to guide the undergraduate college student through the mass of material written in the field of political science. It is a tremendous undertaking considering that the authors attempt to cover all phases of government in all countries and may explain in some measure the inadequate treatment given to topics. To dispose of "local government" in eleven pages is a feat of some sort or other. There is little excuse, however, for the many misleading statements which are backed by no substantiating facts. Incorrect emphasis, too, may do as much harm as a false statement. The well trained student of government will know how to sort the wheat from the chaff but after all this volume is intended to be placed in the hands of beginners.